

Prime 80,000+ ZSF Multifamily Development Opportunity
Vested in 421-a
Corner of Madison Avenue and East 126th Street

1975 Madison Avenue



Investment Sales Contacts

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Investment Overview

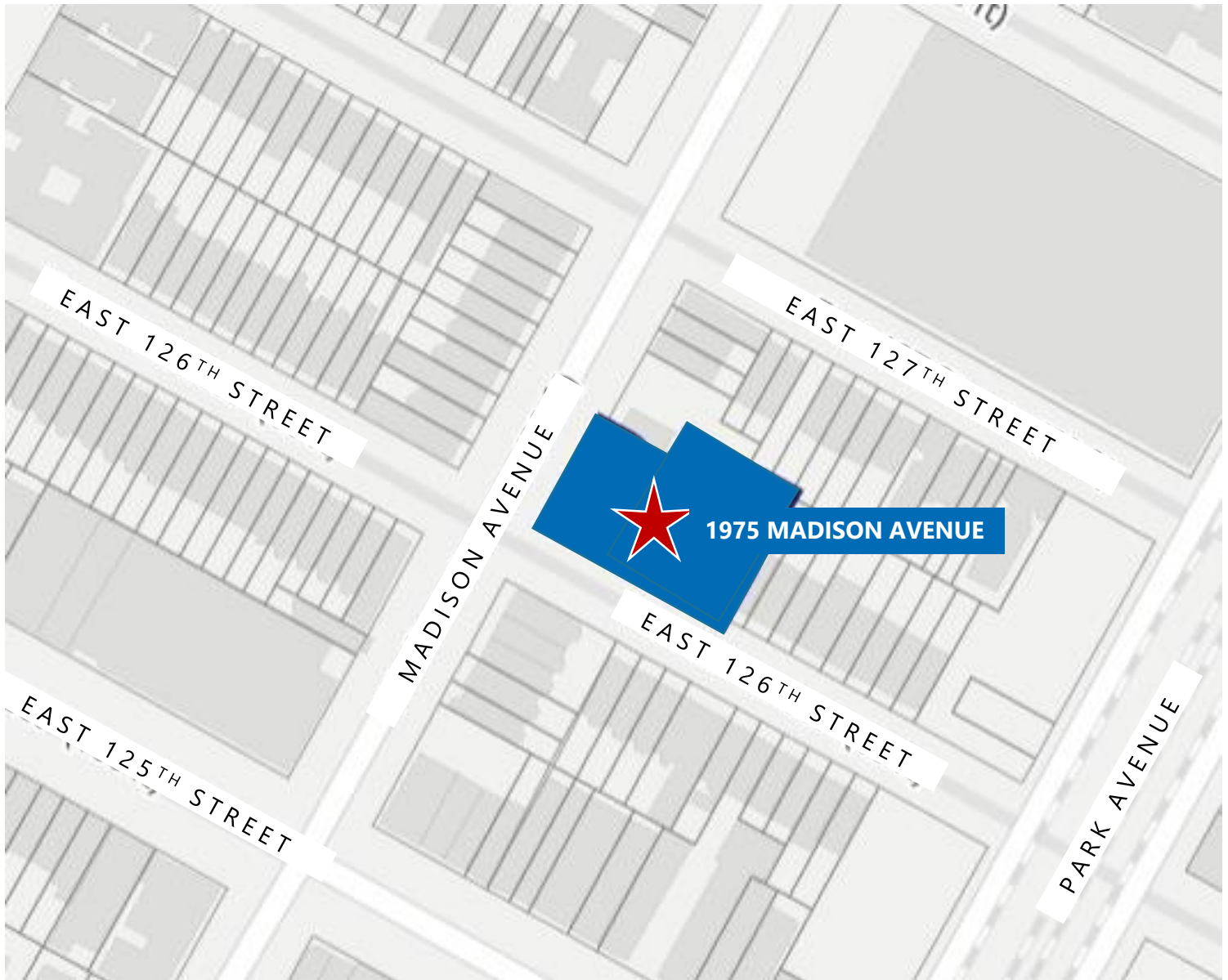
Address	1975 Madison Avenue New York, NY 10035
Location	NE Corner of Madison Avenue and 126 th Street
Block & Lot	1751-0020
Lot Size	20,561 SF
Zoning	R7-2
FAR	4.2 Allowable (80,942 ZSF / 116,840 GSF)
Real Estate Taxes	\$721,268 (2022/2023)

Newmark is pleased to present the opportunity to acquire a prime development site located at 1975 Madison Avenue ("1975 Madison", the "Site", "Project", or "Development"), a proposed eight-story, 93-unit luxury multi-family rental or residential condominium complex with approximately 35 underground parking spaces and approximately 3,500 square feet of ground-level community facility commercial space, in a rapidly improving, transit-oriented location. The Site offers potential investors a compelling opportunity to develop a boutique, luxury residential property in a prime location with high demand and the potential for significant capital appreciation.

Investment Highlights

- Vested in "421-a" / Affordable Housing New York program as of May 2022**, eligible for a 35-year property tax abatement
- Shovel Ready** project with approved plans, advanced entitlements, and access
- Multifamily development site in Manhattan experiencing critical housing shortage**, with potential for significant long-term capital appreciation
- Robust Transportation Access Within 5-Minute Walk to NYC and Westchester**
 - Subways**      West and East sides, Midtown and Downtown
 - Regional rail**  **Metro-North Railroad** Westchester and Grand Central
- Opportunity Zone** location, offering tax benefits for qualified investors
- Neighborhood benefitting from institutional investment with robust amenities**

Plot Map



Investment Highlights

Vested in Affordable New York / "421-a" Providing a 35-Year Property Tax Abatement

- The Project satisfied all requirements for the Affordable New York / "421-a" tax abatement program in May 2022
- Extensive evidence of satisfying the required conditions is available
- The Project is thus eligible for the program that expired in June 2022 and will enjoy a 30-year tax abatement: 100% property tax abatement for the first 25 years of occupancy and a partial abatement for the subsequent 10 years
- As one of the city's last projects eligible under the expired program, 1975 Madison Avenue will enjoy a significant financial advantage to long term holders of the asset
- As of today, no replacement program exists replacing 421-a, further constraining the supply of multifamily housing

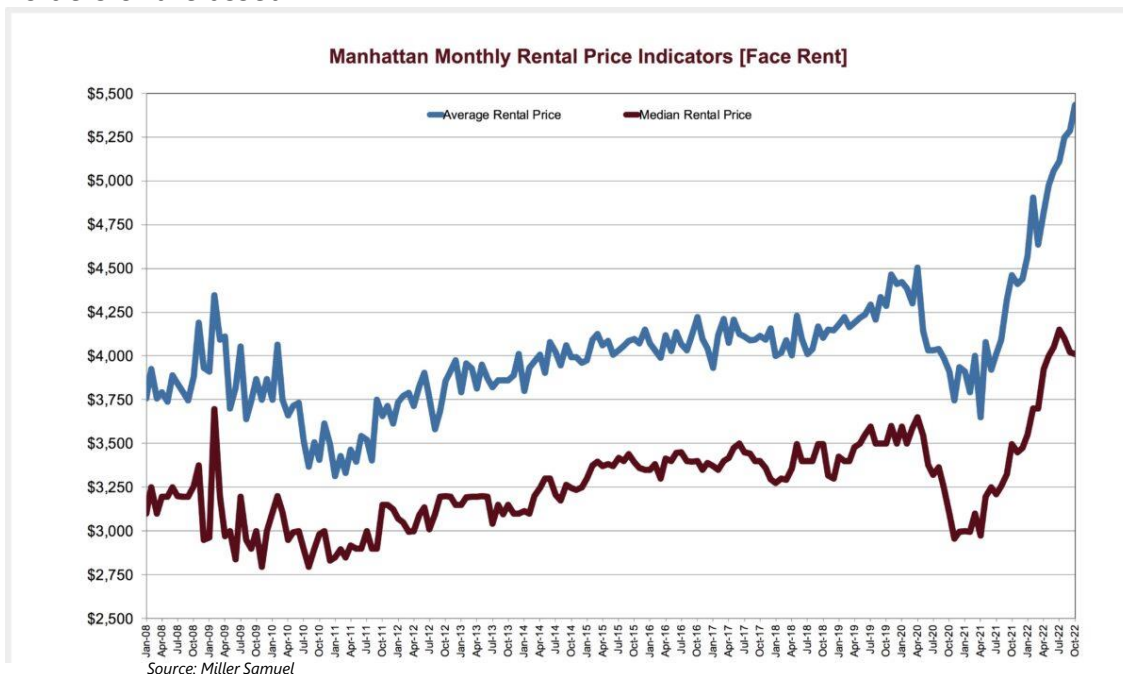
Shovel Ready

1975 Madison is ready to commence construction with:

- Approved plans
- Advanced entitlements
- Required access

Multi-Family Development Site in Manhattan, Facing Critical Housing Shortage

- The Project provides an opportunity to access one of the world's most desirable investment markets when considering its demand and supply fundamentals
- Demand to live in Manhattan remains robust with rents recently achieving new high prices
- Supply of housing in Manhattan remains highly constrained, worsened by 421-a's expiration
- Tax advantages secured by the Project offer significant financial benefits, particularly to long-term holders of the asset



Investment Highlights (cont'd)

Central Location with Excellent Transportation Access

The Project's central location provides residents easy access to all of New York City and particularly Manhattan and Westchester County, including:

- **2/3 subways lines:** located at 125th Street and Lenox Avenue (5 min walk from Site) grant access to Midtown West, including Times Square and Penn Station in approximately 15 minutes
- **4/5/6 subway lines:** located at 125th Street and Lexington Avenue (5 min walk from Site) grant direct access to Midtown Manhattan East, including Grand Central in approximately 12 minutes
- **Metro-North:** located at 125th Street and Park Avenue (5 min walk from Site), provide convenient access to and from Westchester County, as well as Grand Central Station
- **Second Avenue subway lines:** in approximately 10 years, it is anticipated that the Second Avenue Subway (lines N, R, and Q) will extend to 125th Street, providing excellent, direct access to Manhattan's east side and crosstown



Opportunity Zone Tax Benefits

Located in a Qualified Opportunity Zone, the Property offers significant tax advantages to qualified investors, including:

- Deferral of qualified capital gains immediately,
- Step-up in cost basis of the contributed qualified gains if held for 5-7 years, and
- **Elimination of the capital gains tax** on sale proceeds if held for 10 years

Influx of Institutional Investment in Central/East Harlem with Improving Amenities Positioned for Capital Appreciation

Demand to live in Manhattan remains high and Harlem has seen an influx of new institutional real estate investment and development from investors, including:

- Extell Development
- Goldman Sachs
- Columbia University
- Mt. Sinai Medical

Notable investments by marquee retailers, providing excellent amenities include:



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Project Design

1975 Madison has received approvals for the development of a luxury, boutique rental building with exceptional access to all of Manhattan, including the rapidly gentrifying neighborhood of Central Harlem

The Property could incorporate design changes and/or be developed as residential condominiums

Project Specifications, As Designed

Approved Plans Are Available for Review

Mix Overview

- 93 total units
- Mix of approximately 80% 1-BR and 20% 2-BR
- Emphasis on 1BR units to maximize long term appreciation: the Project's apartment portfolio is anticipated to be composed of 80% one-bedroom units, positioned to capture demand from young professionals. One-bedroom units will result in higher per-square-foot pricing at inception, with the potential to increase significantly over time
- Units ranging in size from approximately 650 to 1,200 square feet
- All units will have a kitchen, dining area, and spacious bedrooms

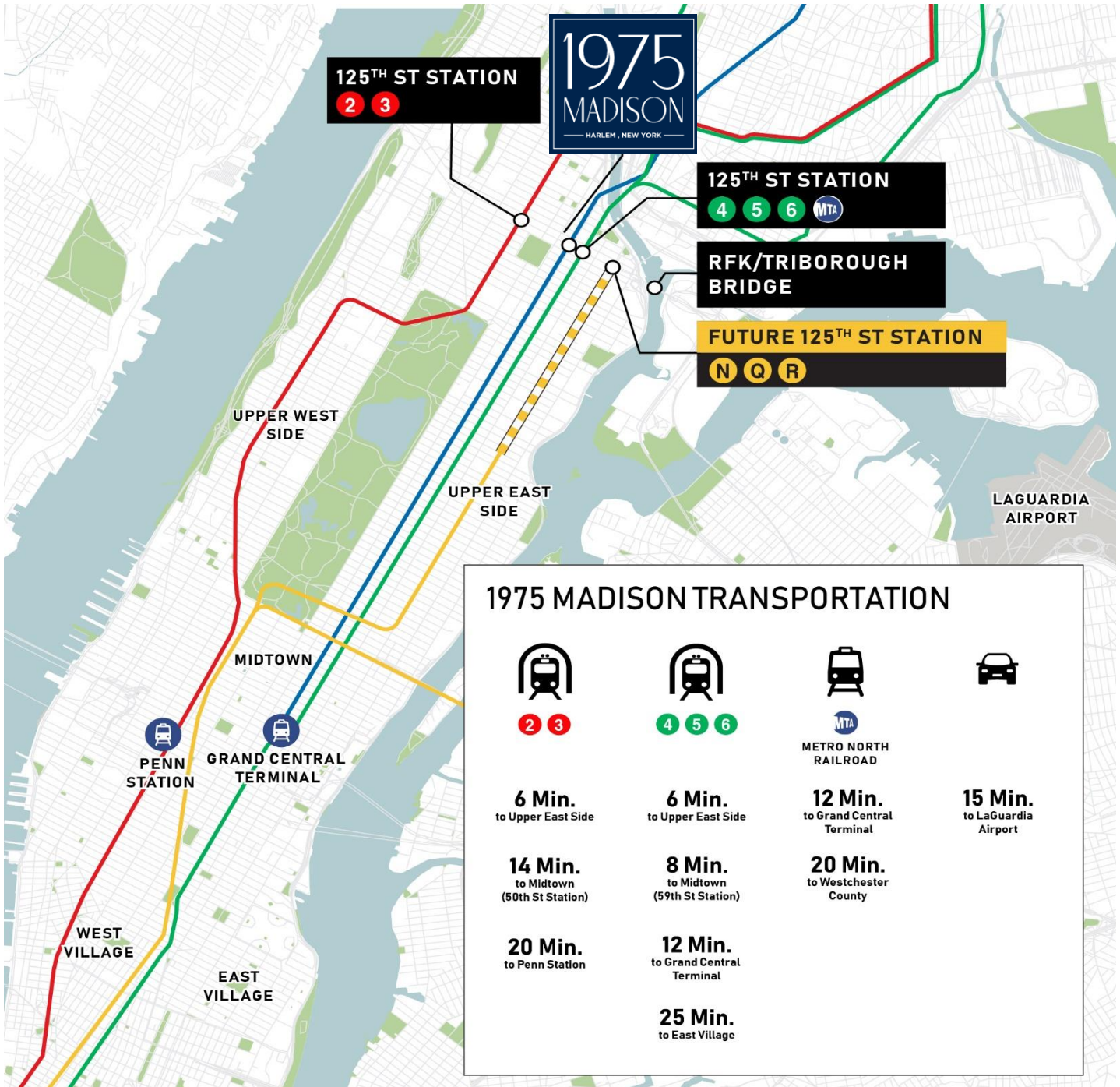
Project Amenities

- Luxury Kitchens with custom cabinetry and designer appliances
- Convenient in-unit laundry throughout
- Luxury VRF HVAC system
- Roof deck of approximately 3,500 square feet with sweeping views of the Manhattan skyline, the East River, and parks
- Indoor/outdoor ground-level tenant amenity space of approximately 3,700 square feet
- Robust, above grade fitness center
- Outdoor garden-designed terraces
- Spacious conference meeting rooms
- 24/7 underground, attended parking garage with approximately 35 spaces

Neighborhood Highlights



Transportation Highlights



Undeveloped Site Today



Due Diligence

Additional materials are available to interested parties for detailed review, including:

- Full set of construction drawings and plans, including:
 - Zoning and massing studies
 - Elevations
- Evidence of Affordable New York / “421-a” vesting
- Background on secured entitlements
- Background on secured access
- Environmental studies
- Geotechnical and boring reports
- Additional materials upon request

Confidentiality & Disclaimer

This Confidential Offering Memorandum has been prepared by Newmark ("Newmark") regarding the purchase of the property described herein 1975 Madison Avenue New York, New York (the "Building" or "Property"). The materials and information contained in this Confidential Offering Memorandum do not purport to be all-inclusive or to contain all of the information which prospective investors may need or desire. Analysis and verification of the information contained in this Memorandum are solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the Property will be made available upon written request of interested and qualified prospective purchasers. Seller and Agent each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property, and/or terminate discussions with any party at any time with or without notice. Seller reserves the right to change the timing and procedures for the offering process at any time in Seller's sole discretion. Seller shall have no legal commitment or obligation to any party reviewing this Memorandum, or making an offer to purchase the Property, unless and until such offer is approved by Seller, and a written agreement for the purchase of the Property has been fully executed and delivered by Seller and the Purchaser thereunder.

This Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not forward, photocopy or duplicate it, that you will not disclose this Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Seller or Agent, and that you will not use this Memorandum or any of the contents in any fashion or manner detrimental to the interest of Seller or Agent.

No representation or warranty is being made by Seller (including its affiliates) or Newmark with respect to the Project's compliance with any applicable statutes, laws, ordinances, rules, regulations, requirements, and/or codes (collectively, the "Laws"). It is expressly understood that it is the responsibility of any prospective lender to investigate whether the Project is in compliance with the Laws and whether such prospective lenders will be relying strictly and solely upon their own inspections and examinations and the advice and counsel of their own consultants, agents, legal counsel, and officers with respect to the condition of the Project and its compliance with the Laws.

If you have no further interest in the Property, please return the Confidential Offering Memorandum forthwith.

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