

# Stahl Real Estate Company

The Stahl Organization is a privately held, New York City-based company founded by Stanley Stahl in 1949. Mr. Stahl passed away in 1999.

Stahl has expertise in purchasing, renovating, and operating Landmarks buildings :

- The Chanin Building (office)
- The Western Union Building (office)
- The Lunt-Fontanne Theatre (Broadway theater)
- The Tiffany Building (subsequently sold)
- The Ansonia (mixed use)
- The Central Savings Bank Building (mixed-use)
- Brooklyn Trust Building (mixed-use)

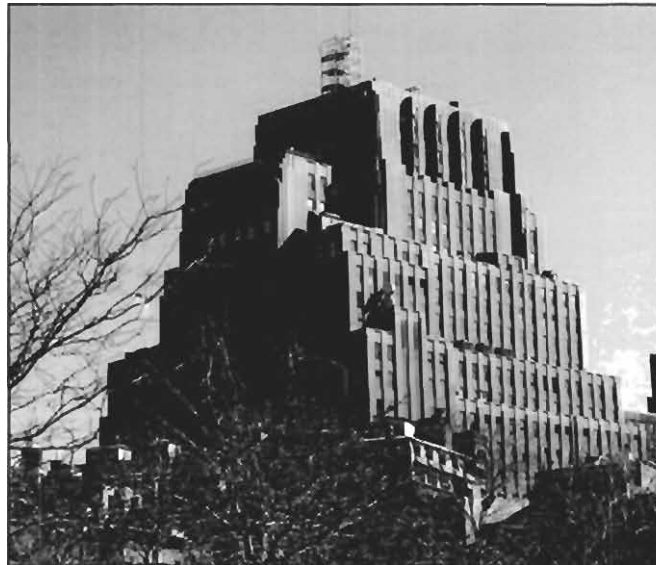
# Stahl Landmark Properties



Lunt-Fontanne Theatre



Central Savings Bank



Western Union Building



Chanin Building

# Stahl Landmark Properties

For decades, Stahl Real Estate has served as a conscientious steward of some of New York City's most notable architectural Landmarks .



Brooklyn Trust Company



The Tiffany Building



The Ansonia

Single-pane  
wood windows

# Property Description

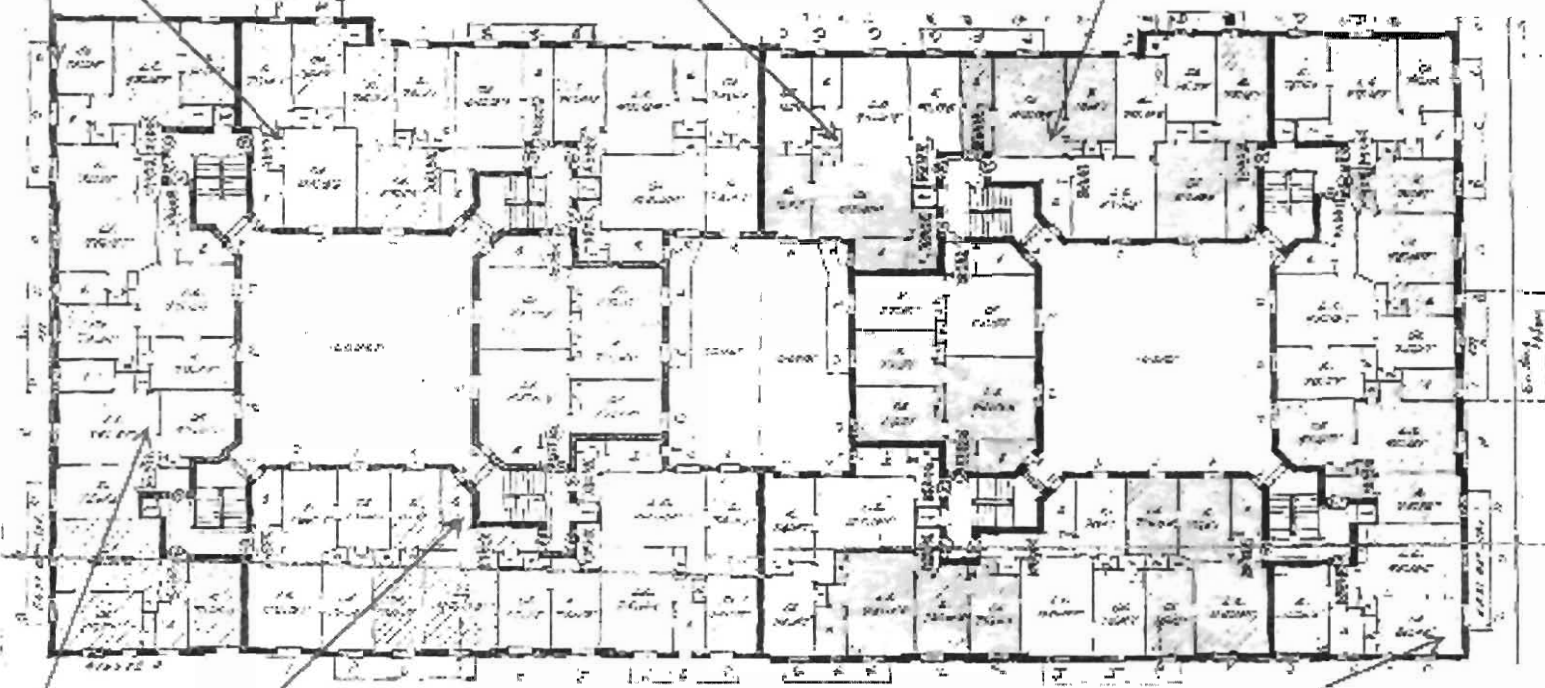
No thermal  
or sound  
insulation

No fire sprinklers

Sub-standard electrical system

Cramped 371 sf units

No interior corridors



429 E. 64th

430 E. 65th

6-floor walk-ups

Masonry exterior load-bearing walls

No elevators

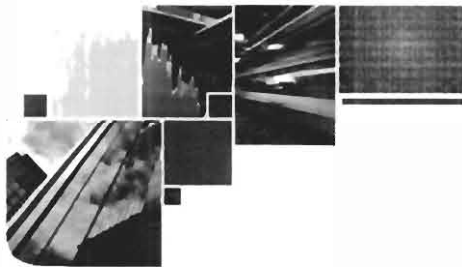
Not Handicapped Accessible

Wood framed floors, ceilings, interior walls & roof

No building amenities

# Stahl York Background

- 1977 – Stahl purchases portfolio of 19 buildings containing 1,160 apartments on Upper East Side.
- 17 of the buildings – 1,043 apartments, are bounded by 1<sup>st</sup> & York Aves, between 64<sup>th</sup> and 65<sup>th</sup> St.
- York Avenue – 2 buildings between 64<sup>th</sup> & 65<sup>th</sup> Streets – contain 190 apartments.
- 1990 – Landmarking of 15 buildings – except York Avenue – prohibits future development.
- 2000 – Future development of York Avenue is planned. Vacant units are not re-leased. It is not Stahl's intention to dispossess any tenants in the course of development. Any existing tenants will be offered a comparable or better apartment at the same rent within the complex. We will continue to comply with all requirements of rent stabilization and rent control.
- 2004 – the critical number of Rent Control tenants remaining at York Avenue has declined to a level where Stahl could develop architectural plans to build on site.
- 2006 – Landmarking of York Avenue interrupts Stahl's standing plans to redevelop property.
- 2012 - Many apartments have been vacant for several years; some have had plumbing fixtures removed, while others have been damaged by fire or vandalism. Un-renovated units contain asbestos caulking & lead paint.



## Economic Feasibility Study Results

6

January 24, 2012



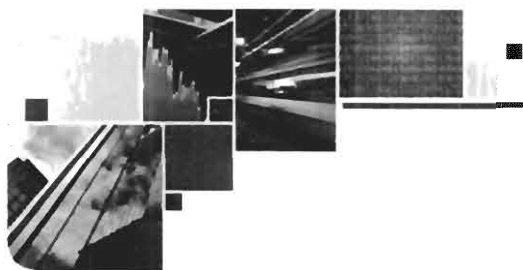
### John T. Feeney, Jr.

EXECUTIVE DIRECTOR | VALUATION & ADVISORY SERVICES

Since joining C&W's Valuation Advisory Services division in 1985, John T. Feeney has worked on assignments including vacant land, air rights, office buildings, corporate headquarter facilities (both existing and proposed), shopping centers, industrial complexes, commercial properties, residential properties, hotels, and investment properties throughout the United States.

Mr. Feeney currently heads C&W's Residential Valuation practice in New York City, focusing on residential assets of all types. Mr. Feeney is also the National Practice Leader for Multi-Family Assets. The New York City residential team performs 400 ~ 600 appraisals per year. Project types include small walk-up and elevator buildings, office and loft conversion to rental and condominium use, new condominium developments, and rental and condominium high-rise buildings. Mr. Feeney has extensive experience with walk-up apartment buildings throughout Manhattan. The Multi-Family team has appraisal over 20 well-known portfolios of primarily walk-up buildings consisting of over 50,000 units. A sample is

Portfolio Valuation Assignments							
Name	Location	No. Building	No. Units	Name	Location	No. Building	No. Units
Pinnacle/Pradium	Brooklyn	53	2,743	Merlon Portfolio	Manhattan	37	645
SW Management LLC	Manhattan (UES)	16	626	Vantage/JPMorgan Portfolio	Queens	37	2,234
Pinnacle Managing Co., LLC	Bronx/Manhattan	9	348	Elk Portfolio	Manhattan	17	497
Urban American Management LLC	Brooklyn	9	741	OPERF	Manhattan	9	1,018
Putnam Portfolio	Manhattan and Roosevelt Island	5	3,962	Former Trump Portfolio	Brooklyn/Queens/Staten Island	7	3,617
Ginsberg	Queens/Manhattan	20	2,836	Langer portfolio	Bronx	25	1,784
Cohen/New Beginnings Portfolio	Manhattan (UES)	36	788	NYCHA	5 boroughs	21	21,500
Dawnay Day	Manhattan (East Harlem)	37	1,119	Stonehenge	Manhattan	10	1,193
Coop Portfolio	Queens/Bronx/Manhattan	8	683	Rockrose	Queens/Manhattan	28	6,773
<b>Totals</b>						<b>384</b>	<b>53,107</b>



Cushman & Wakefield (C&W) prepared a series of analyses to determine the level of return to a landlord based on normalized occupancy levels. These analyses utilize a variety of rent, occupancy, and operating expense conclusions which are influenced by varying levels of in-unit and base building capital expenditure. For example, the initial 2009 economic feasibility was based on an average monthly rent of \$1,235 per unit, resulting from \$10.5 million in building-wide capital expenditure and \$4.6 million for in-unit renovations. Additional scenarios were analyzed based on eliminating building wide capital expenditure and moderating in-unit upgrades.

C&W's Scenario IV analysis projected that, after completion of the fix-up work required to bring the apartments into code-compliant condition, the average rent would be approximately \$600 per unit per month. We believe that this estimated rent level is both reasonable and appropriate under all of the specific circumstances for this scenario, including, in particular, the following:

- The average monthly rent for approximately one-third of the 97 vacant units at the time they were voluntarily surrendered was \$617, indicating that they were not considered attractive enough for continued occupancy at even that rent level.
- The average monthly rent for apartments on the balance of the city block, in like-kind buildings, is \$888.25. However, these buildings have an overall vacancy rate of 24% despite the fact that the owner maintains a full time rental office on premises. The high vacancy rate suggests that even at the average rent levels it is not possible to achieve occupancy rates comparable to most other buildings in New York City. The use of a \$600 per month average rent reflects the discount necessary to attract enough tenants to reach more typical levels of occupancy in the Buildings. That is why the rate of return study assumed a vacancy and collection loss factor of 10% rather than the 24% found in the buildings on the balance of the block.



## Photographic Comparison

8



Subject: Living room of a vacant unit. (Water damage, stained floors, poor waterproofing around window, & uneven floor)



Living room in a renovated, vacant unit in comparable building on same block.





## Photographic Comparison



Subject: Bathroom of a vacant unit. (No electrical outlet, & odd layout)



Bathroom in a renovated unit within a comparable building on same block.



Subject: Kitchen of a vacant unit. (Water damage, linoleum floors, & poor waterproofing around window)



Updated kitchen in a unit within a comparable building on same block.



## Photographic Comparison

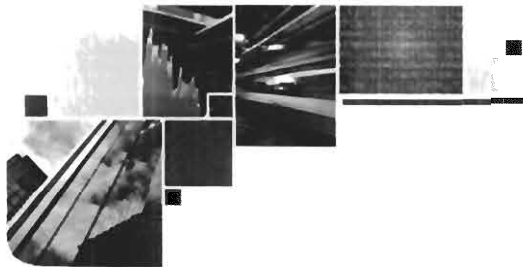
10



Subject: Kitchen of a vacant unit.



Kitchen in a renovated unit within a comparable building on same block.



## Photographic Comparison

11



Subject: Living room of a vacant unit.



Living room in a renovated unit within a comparable building on same block.



## Scenario I – February 2009

12

- We modeled for income from the 84 vacant market rate units at an average rent of \$40.00 per square foot, equating to \$1,235 per month.
- The January 2009 rent roll indicates that the 106 rent-regulated subject units currently achieve a total monthly rent of \$89,564, or \$1,074,771 per year.
- RE Taxes were projected at 25.0% of the EGI.
- The total fixed and operating expenses, excluding real estate taxes and depreciation factor, is \$1,205,300.
- Based on stabilized operations, the NOI is estimated at \$240,238. The denominator used in the test of reasonable return equates to the sum of the assessed value, the capital improvement costs, renovation costs, and the cost to reach stabilization. Therefore, we included the cost of in-unit renovation and the lease-up cost. This equates to a total of \$20,186,462<sup>(1)</sup>. The economic return equates to **1.190%**. A Reasonable Return as defined by the New York City Administrative Code is 6.0 percent per annum. Hence, the subject property does not generate a “reasonable return” as improved.

(1) Property Tax Assessment + Capital Expenditure + C&W Estimate of Unit Renovation Cost + Lease-Up Cost =  
\$2,749,500 + \$10,530,225 + \$4,620,000 + \$2,286,737 = \$20,186,462

SUMMARY OF REVENUE AND EXPENSES PROFORMA - WITH CAPITAL EXPENDITURE 429 EAST 64TH STREET & 430 EAST 65TH STREET NEW YORK, NEW YORK		
INCOME	Year One	
	Total	\$/SF
Market Rate Units Revenue	\$1,231,320	
Rent Stabilized Units Revenue	\$1,074,771	
MCI Revenue	\$64,486	
Miscellaneous Revenue	\$10,000	
<b>Total Gross Income</b>	<b>2,380,577</b>	
Less: Vacancy and Credit Loss	238,058	
<b>Effective Gross Income</b>	<b>2,142,520</b>	
OPERATING EXPENSES		
Real Estate Taxes	535,630	\$6.31
Insurance	135,700	\$1.60
Salary & Benefits	296,900	\$3.50
Utilities	267,200	\$3.15
Water & Sewer	106,000	\$1.25
Repairs & Maintenance	212,100	\$2.50
General & Administrative	25,400	\$0.30
Legal & Professional Fees	29,700	\$0.35
Painting & Supplies	47,500	\$0.56
Management fees	63,600	\$0.75
Depreciation Factor	161,352	\$1.90
Miscellaneous Expense	21,200	\$0.25
<b>TOTAL EXPENSES</b>	<b>1,902,282</b>	<b>\$22.43</b>
<b>NET OPERATING INCOME</b>	<b>240,238</b>	<b>\$2.83</b>



## Scenario II – February 2009

13

- We modeled for income from the 84 vacant market rate units at a rent of \$35.00 per square foot, equating to \$1,082 per month.
- The January 2009 rent roll indicates that the 106 rent-regulated subject units currently achieve a total monthly rent of \$89,564, or \$1,074,771 per year.
- RE Taxes were projected at 25.0% of the EGI.
- The total fixed and operating expenses, excluding real estate taxes and depreciation factor, is \$1,332,504. Operating expenses reflect no building-wide capital expenditure.
- Based on stabilized operations, the NOI is estimated at \$60,385. The denominator used in the test of reasonable return equates to the sum of the assessed value, renovation costs, and the cost to reach stabilization. Therefore, we included the cost of in-unit renovation and the lease-up costs. This equates to a total of \$9,838,553<sup>(1)</sup>. The economic return equates to **0.614%**. A Reasonable Return as defined by the New York City Administrative Code is 6.0 percent per annum. Hence, the subject property does not generate a "reasonable return" as improved.

### 6-STORY APARTMENT BUILDINGS PROFORMA - WITHOUT CAPITAL EXPENDITURE 429 EAST 64TH STREET & 430 EAST 65TH STREET NEW YORK, NEW YORK

INCOME	Year One	
	Total	\$/SF
Market Rate Units Revenue	\$1,077,405	
Rent Stabilized Units Revenue	\$1,074,771	
Miscellaneous Revenue	\$10,000	
<b>Total Gross Income</b>	2,162,176	
Less: Vacancy and Credit Loss	216,218	
<b>Effective Gross Income</b>	1,945,959	
<b>OPERATING EXPENSES</b>		
Real Estate Taxes	486,490	\$5.74
Insurance	135,700	\$1.60
Salary & Benefits	296,900	\$3.50
Utilities	267,200	\$3.15
Water & Sewer	106,000	\$1.25
Repairs & Maintenance	339,304	\$4.00
General & Administrative	25,400	\$0.30
Legal & Professional Fees	29,700	\$0.35
Painting & Supplies	47,500	\$0.56
Management fees	63,600	\$0.75
Depreciation Factor	66,580	\$0.78
Miscellaneous Expense	21,200	\$0.25
<b>TOTAL EXPENSES</b>	1,885,574	\$22.23
<b>NET OPERATING INCOME</b>	<b>60,385</b>	<b>\$0.71</b>

(1) Property Tax Assessment + C&W Estimate of Unit Renovation Cost + Lease-Up Cost =  
\$2,749,500 + \$4,620,000 + \$2,286,737 = \$9,838,553

## Scenario III – May 2010

14

- We modeled for income from the 97 vacant market rate units at a rent of \$600.00 per month per unit.
- The TC201 2010 indicates that the 93 rent-regulated subject units currently achieve a total monthly rent of \$80,791, or \$969,495 per year.
- RE Taxes were projected at 25.0% of the EGI.
- The total fixed and operating expenses, excluding real estate taxes and depreciation factor, is \$1,332,504. Operating expenses reflect no building-wide capital expenditure.
- Based on stabilized operations, the NOI is estimated at negative \$190,829. Operating costs and real estate taxes exceed estimates for effective gross income. The denominator used in the test of reasonable return equates to the sum of the assessed value, renovation costs, and the cost to reach stabilization. Therefore, we included the cost of in-unit renovation and the lease-up cost. This equates to a total of \$6,647,100<sup>(1)</sup>. The economic return equates to **negative 2.871%**. A Reasonable Return as defined by the New York City Administrative Code is 6.0 percent per annum. Hence, the subject property does not generate a "reasonable return" as improved.

6-STORY APARTMENT BUILDINGS		
PROFORMA - Capital Expenditure Sufficient to Cure Fire Safety Conditions in Units		
429 EAST 64TH STREET & 430 EAST 65TH STREET		
NEW YORK, NEW YORK		
	Year One	
INCOME	Total	\$/SF
Market Rate Units Revenue	\$709,376	
Rent Stabilized Units Revenue	\$969,495	
Miscellaneous Revenue	\$12,500	
<b>Total Gross Income</b>	1,691,371	
Less: Vacancy and Credit Loss	169,137	
<b>Effective Gross Income</b>	1,522,234	
OPERATING EXPENSES		
Real Estate Taxes	380,558	\$4.49
Insurance	135,700	\$1.60
Salary & Benefits	296,900	\$3.50
Utilities	267,200	\$3.15
Water & Sewer	106,000	\$1.25
Repairs & Maintenance	339,304	\$4.00
General & Administrative	25,400	\$0.30
Legal & Professional Fees	29,700	\$0.35
Painting & Supplies	47,500	\$0.56
Management fees	63,600	\$0.75
Miscellaneous Expense	21,200	\$0.25
<b>TOTAL EXPENSES</b>	1,713,062	\$20.20
<b>NET OPERATING INCOME</b>	<b>-190,829</b>	<b>-\$2.25</b>

(1) Property Tax Assessment + C&W Estimate of Unit Renovation Cost + Lease-Up Cost =  
\$2,533,500 + \$2,325,000 + \$1,788,600 = \$6,647,100

## Scenario IV - June 2011

15

- This scenario modifies the estimate for renovation of the apartment units to reflect the more accurate estimate prepared by Project Consult dated march 23, 2011. Hard costs were modified to \$4,018,385 (\$41,427/apartment) from the Scenario III conclusion estimated by C&W of \$2,325,000.
- This pro forma indicates that the net operating income for the Buildings under normalized conditions in the "test year" would be negative \$530,943. Using \$4,341,773<sup>(1)</sup> as the denominator, this equates to a rate of return of **negative 12.229%** -- or far below the 6% return deemed reasonable by the Landmarks Law.

### Note:

- The adjacent buildings contain a total of 965 units.
- There are 215 vacant units. This equates to a vacancy rate of 22.28 percent.
- This complex also offer units with renovated interior finishes, much superior to that exhibited by the subject property.
- The high vacancy rate exhibited by these buildings demonstrates that this type of housing has limited appeal in the marketplace.

(1) Property Tax Assessment + (Unit Renovation \* 0.45) =  
\$2,533,500 + (\$4,018,385 \* 0.45) = \$4,341,773

PROFORMA 429 EAST 64TH STREET & 430 EAST 65TH STREET NEW YORK, NEW YORK		
INCOME	Year One	
	Total	\$/SF
Market Rate Units Revenue	\$698,400	
Rent Stabilized Units Revenue	\$969,495	
Miscellaneous Revenue	\$12,500	
<b>Total Gross Income</b>	<b>1,680,395</b>	
Less: Vacancy and Credit Loss	168,039	
<b>Effective Gross Income</b>	<b>1,512,355</b>	
OPERATING EXPENSES		
Real Estate Taxes	579,757	\$6.83
Insurance	135,700	\$1.60
Salary & Benefits	296,900	\$3.50
Utilities	267,200	\$3.15
Water & Sewer	106,000	\$1.25
Repairs & Maintenance	339,304	\$4.00
General & Administrative	25,400	\$0.30
Legal & Professional Fees	29,700	\$0.35
Painting & Supplies	47,500	\$0.56
Management fees	63,600	\$0.75
Depreciation Factor	131,038	\$1.54
Miscellaneous Expense	21,200	\$0.25
<b>TOTAL EXPENSES</b>	<b>2,043,299</b>	<b>\$24.09</b>
<b>NET OPERATING INCOME</b>	<b>-530,943</b>	<b>-\$6.26</b>

## Scenario V – June 2011

16

▪ The analysis also provides an understanding of the impact on the rate of return based on an increase in the rental income from the vacant apartments to an average of \$888.25 per month, the mean average rent of comparable apartments in other buildings on the block, and an adjustment of the vacancy and collection loss factor from 10% to 24%, the loss factor over all of the buildings on the balance of the block.

▪ This pro forma indicates that, even if the income and the loss factor for the subject is adjusted to reflect economic conditions on the balance of the block, the net operating income for the buildings under normalized conditions in the “test year” would still be negative \$511,201. Using \$4,341,773<sup>(1)</sup> as the denominator, this equates to a rate of return of **negative 11.774%** -- again, far below the 6% return deemed reasonable by the Landmarks Law. Lowering the vacancy and collection loss factor did not materially affect this conclusion.

PROFORMA 429 EAST 64TH STREET & 430 EAST 65TH STREET NEW YORK, NEW YORK		
	Year One	
INCOME	Total	\$/SF
Market Rate Units Revenue	\$1,033,923	
Rent Stabilized Units Revenue	\$969,495	
Miscellaneous Revenue	\$12,500	
<b>Total Gross Income</b>	<b>2,015,918</b>	
Less: Vacancy and Credit Loss	483,820	
<b>Effective Gross Income</b>	<b>1,532,098</b>	
OPERATING EXPENSES		
Real Estate Taxes	579,757	\$6.83
Insurance	135,700	\$1.60
Salary & Benefits	296,900	\$3.50
Utilities	267,200	\$3.15
Water & Sewer	106,000	\$1.25
Repairs & Maintenance	339,304	\$4.00
General & Administrative	25,400	\$0.30
Legal & Professional Fees	29,700	\$0.35
Painting & Supplies	47,500	\$0.56
Management fees	63,600	\$0.75
Depreciation Factor	131,038	\$1.54
Miscellaneous Expense	21,200	\$0.25
<b>TOTAL EXPENSES</b>	<b>2,043,299</b>	<b>\$24.09</b>
<b>NET OPERATING INCOME</b>	<b>-511,201</b>	<b>-\$6.03</b>

(1) Property Tax Assessment + (Unit Renovation \* 0.45) =  
\$2,533,500 + (\$4,018,385 \* 0.45) = \$4,341,773





## Summary Chart

17

SUMMARY CHART						
	Capital Expenditure		Concluded	Concluded		Feasibility
	Building-Wide Base	In-Unit	Rent/SF	Rent/Month	Occupancy	Result
<b>Economic Feasibility - 2009 Test Year</b>						
<b>Scenario I</b>	\$10,530,225	\$4,620,000	\$40.00/SF	\$1,235/Unit	90.00%	1.190%
<b>Scenario II</b>	\$0	\$4,620,000	\$35.00/SF	\$1,081/Unit	90.00%	0.614%
<b>Economic Feasibility - 2010 Test Year</b>						
<b>Scenario III</b>	\$0	\$2,325,000	\$19.43/SF	\$600/Unit	90.00%	-2.871%
<b>Sensitivity Analysis - 2010 Test Year</b>						
<b>Scenario IV</b>	\$0	\$4,018,385	\$19.43/SF	\$600/Unit	90.00%	-12.229%
<b>Scenario V</b>	\$0	\$4,018,385	\$28.76/SF	\$888/Unit	76.00%	-11.77%



## Additional Comparable Expenses

18

EXPENSE ANALYSIS - WALK-UP RESIDENTIAL BUILDINGS																								
Address					1213-27 York Avenue				425 East 74th Street				326 East 82nd Street				319 East 88th Street				427-31 East 83rd Street			
Year Built					1915				1910/1960				1948/1972				1940				1910/1965			
GBA					68,484 SF				19,134 SF				49,000 SF				28,170 SF				40,600 SF			
Estimated NRA					56,842 SF				15,881 SF				40,670 SF				23,381 SF				33,698 SF			
No. of Units					82				30				82				60				87			
Filed Year					2010				2010				2010				2009				2010			
Residential Revenue/Unit					\$965.46				\$1,476.06				\$978.47				\$1,249.84				\$1,400.77			
					Total	Per GBA	Per NRA	% of EGI	Total	Per GBA	Per NRA	% of EGI	Total	Per GBA	Per NRA	% of EGI	Total	Per GBA	Per NRA	% of EGI				
POTENTIAL GROSS REVENUE																								
Residential Revenue					\$950,011	\$13.87	\$16.71		\$531,383	\$27.77	\$33.46		\$962,812	\$19.65	\$23.67		\$899,887	\$31.94	\$38.49		\$1,462,401	\$36.02	\$43.40	
Miscellaneous Revenue					8,965	\$0.13	\$0.16		5,140	\$0.27	\$0.32		0	\$0.00	\$0.00		0	\$0.00	\$0.00		25,930	\$0.64	\$0.77	
							\$0.00				\$0.00				\$0.00				\$0.00			\$0.00		
TOTAL POTENTIAL GROSS REV					\$958,976	\$14.00	\$16.87		\$536,523	\$28.04	\$33.78		\$962,812	\$19.65	\$23.67		\$899,887	\$31.94	\$38.49		\$1,488,331	\$36.66	\$44.17	
Vacancy and Collection Loss					(47,949)	(\$0.70)	(\$0.84)		(26,826)	(\$1.40)	(\$1.69)		(48,141)	(\$0.98)	(\$1.18)		(44,994)	(\$1.60)	(\$1.92)		(74,417)	(\$1.83)	(\$2.21)	
EFFECTIVE GROSS REVENUE					\$911,027	\$13.30	\$16.03		\$509,697	\$26.64	\$32.09		\$914,671	\$18.67	\$22.49		\$854,893	\$30.35	\$36.56		\$1,413,914	\$34.83	\$41.96	
OPERATING EXPENSES																								
Real Estate Taxes					\$236,051	\$3.45	\$4.15	25.91%	\$136,855	\$7.15	\$8.62	26.85%	\$245,903	\$5.02	\$6.05	26.88%	\$256,568	\$9.11	\$10.97	30.01%	\$434,214	\$10.69	\$12.89	30.71%
Insurance					\$22,829	\$0.33	\$0.40	2.51%	\$14,558	\$0.76	\$0.92	2.86%	\$29,877	\$0.61	\$0.73	3.27%	\$19,606	\$0.70	\$0.84	2.29%	\$36,154	\$0.89	\$1.07	2.56%
Salary and Benefits					\$113,547	\$1.66	\$2.00	12.46%	\$13,861	\$0.72	\$0.87	2.72%	\$0	\$0.00	\$0.00	0.00%	\$24,991	\$0.89	\$1.07	2.92%	\$28,545	\$0.70	\$0.85	2.02%
Utilities					\$96,844	\$1.41	\$1.70	10.63%	\$29,063	\$1.52	\$1.83	5.70%	\$93,793	\$1.91	\$2.31	10.25%	\$62,130	\$2.21	\$2.66	7.27%	\$61,906	\$1.52	\$1.84	4.38%
Water and Sewer					\$37,852	\$0.55	\$0.67	4.15%	\$9,582	\$0.50	\$0.60	1.88%	\$16,928	\$0.35	\$0.42	1.85%	\$22,908	\$0.81	\$0.98	2.68%	\$27,103	\$0.67	\$0.80	1.92%
Repairs and Maintenance					\$59,889	\$0.87	\$1.05	6.57%	\$64,275	\$3.36	\$4.05	12.61%	\$67,765	\$1.38	\$1.67	7.41%	\$35,926	\$1.28	\$1.54	4.20%	\$253,556	\$6.25	\$7.52	17.93%
Legal and Professional Fees					\$3,333	\$0.05	\$0.06	0.37%	\$6,307	\$0.33	\$0.40	1.24%	\$0	\$0.00	\$0.00	0.00%	\$0	\$0.00	\$0.00	0.00%	\$31,329	\$0.77	\$0.93	2.22%
Management*					\$35,273	\$0.52	\$0.62	3.87%	\$34,888	\$1.82	\$2.20	6.84%	\$49,565	\$1.01	\$1.22	5.42%	\$52,241	\$1.85	\$2.23	6.11%	\$95,435	\$2.35	\$2.83	6.75%
Painting and Supplies					\$8,604	\$0.13	\$0.15	0.94%	\$4,807	\$0.25	\$0.30	0.94%	\$0	\$0.00	\$0.00	0.00%	\$0	\$0.00	\$0.00	0.00%	\$35,021	\$0.86	\$1.04	2.48%
Miscellaneous					\$63,962	\$0.93	\$1.13	7.02%	\$10,906	\$0.57	\$0.69	2.14%	\$514,123	\$10.49	\$12.64	56.21%	\$83,561	\$2.97	\$3.57	9.77%	\$12,239	\$0.30	\$0.36	0.87%
TOTAL EXPENSES					\$678,184	\$9.90	\$11.93	74.44%	\$325,102	\$16.99	\$20.47	63.78%	\$1,017,954	\$20.77	\$25.03	111.29%	\$557,931	\$19.81	\$23.86	65.26%	\$1,015,502	\$25.01	\$30.14	71.82%

Source: GenPAD – Commercial &amp; Residential Database



## OVERVIEW

- ❑ Gleeds – Formally ProjectConsult
- ❑ Principals have over 25 years of New York construction experience (project/program management and cost management)
- ❑ Full spectrum projects for small renovations to multi-million dollar out of the ground projects
- ❑ Estimating experience includes conceptual cost studies / evaluations for renovations, additions, building infrastructure upgrades, new buildings

## SELECT PROJECT EXPERIENCE

- ☐ Brooklyn Heights Synagogue – renovation / addition
- ☐ City & Country School – renovation / addition
- ☐ Columbia University – Master plan cost estimates plus estimates for several academic building
- ☐ The Durst Organization – Academic Building
- ☐ Mother Industries – Renovation
- ☐ Trinity Real Estate – Infrastructure upgrades
- ☐ New York University – Staff apartment renovations – cost estimating and project management
- ☐ New York University – Renovations of Hallways and Lobbies, NYU residential buildings – Cost estimating and project Management
- ☐ New York University – Renovations to 4-5-6 Washington Square North – Cost estimating
- ☐ One Seventh Avenue – New residential building cost and project management

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# Task

- ❑ Gleeds (ProjectConsult) requested to develop cost estimate for refurbishment of vacant apartments at 429 East 64<sup>th</sup> and 430 East 65<sup>th</sup>
  - Minimum repairs / improvements
  - Habitable conditions
  - Code improvements required
- ❑ Scope included
  - Removal and replacement of base and casings and encapsulation of lead paint
  - Paint and plaster repair
  - Electrical improvement (panels, lighting, outlets)
  - Kitchen and / or bathroom replacement (depending on level of renovation)
  - Wall, ceiling and floor repair replacement as required
  - Appliance replacement as required

# Task

- ❑ Not included in the cost estimate was the following
  - Building infrastructure upgrades (plumbing, electrical and heating risers, heating equipment etc.)
  - Exterior window replacement
  - Exterior façade repairs / improvement
  - Roof repairs / replacement
  - Asbestos abatement
  - Lead Paint abatement other than removal of base and casings
  - Air Conditioning and or ventilation Systems
  - Fire Alarm (other than smoke alarm)
  - Work required to meet HPD design guidelines
  - Owner soft costs including design and procurement costs, testing and inspection, permit costs, financing costs
  - Construction Contingency
  - Hoist cost if required by unions

# Methodology

- ❑ The condition of each apartment varies – to better classify required work, four levels of refurbishment were developed
  - Level 1 - Includes removal and replacement of base and casings and encapsulation of lead paint, paint and plaster repairs, some electrical work including code compliance
  - Level 2 - Includes items in Level 1 plus Kitchen and/or bathroom replacement plus appliance replacement
  - Level 3 - Includes items in Level 1 and Level 2 major renovations, wall repairs and partial floor replacement
  - Level 4 - This level would include a complete gut renovation to the apartment due to Fire, age, water damage
- ❑ Estimate is for 110 vacant apartments
  - 47 two room apartments (2 level 1, 14 level 2, 29 level 3 and 2 level 4)
  - 60 three room apartment (4 level 1, 11 level 2, 42 level 3 and 3 level 4)
  - 3 four room apartments (2 level 2 and 1 level 3)



# Methodology

## ❑ Gleeds (ProjectConsult)

- Conducted two walkthroughs, surveying multiple units of each size apartment for each renovation – included photographic documentation
- Developed and annotated sketches for each type of apartment renovation
- Developed conceptual cost estimate for each type of renovation for each size of apartment
- Estimated quantities developed based on actual takeoff of required work within typical units
- Estimate unit costs developed based on actual conditions and factors within the buildings, assumed union labor
- Total renovations costs extrapolated based on the cost of specific unit renovation estimates

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# RESULTS

## ❑ Estimated value for renovations of 110 units is

▪	Two room Apartment (47 units)		
•	Level 1 (2 units)	-	\$49,846
•	Level 2 (14 units)	-	\$512,613
•	Level 3 (29 units)	-	\$1,162,875
•	Level 4 (2 units)	-	\$85,109
▪	Three room Apartment (60 Units)		
•	Level 1 (4 units)	-	\$117,154
•	Level 2 (11 units)	-	\$395,027
•	Level 3 (42 units)	-	\$1,913,850
•	Level 4 (3 units)	-	\$189,885
▪	Four room Apartment (3 Units)		
•	Level 1 (2 units)	-	\$64,435
•	Level 3 (1 units)	-	\$48,141
	<b>TOTAL ESTIMATED COST</b>	-	<b>\$4,556,932</b>

Note these costs include General conditions, overhead profit and a design contingency

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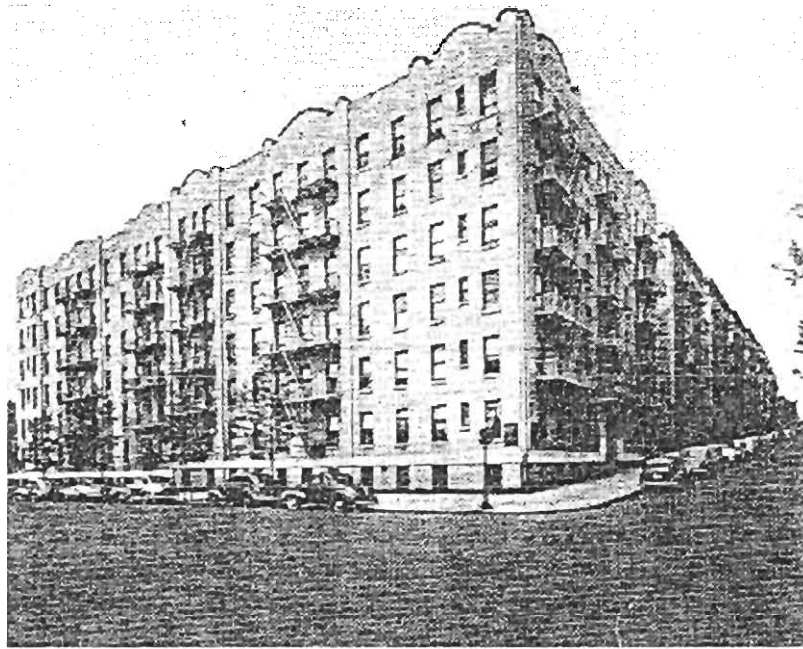
# SPECIAL CONSIDERATIONS

- ❑ The following are things that will have an impact on the cost of renovations that would increase what would be expected in a normal costing scenario
  - walk-ups
  - very small spaces
  - limited staging areas
  - Inefficient material handling due to narrow stairs / multiple stairs
  - If hoist employed more than one would be required based on layout
  - work around occupied units
  - unknown conditions in walls and subfloor, etc.

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HISTORIC PHOTOGRAPHS – VIEW OF CITY& SUBURBAN HOMES 1<sup>ST</sup> AVENUE ESTATE LOOKING WEST

ITEM: 22, LPC 12-7519, 429 EAST 64<sup>TH</sup> STREET and 430 EAST 65<sup>TH</sup> STREET



DESIGNATION PHOTOS, SHOWING 429 E 64<sup>TH</sup> ST. & 430 E 65<sup>TH</sup> ST. IN CONTEXT OF 1<sup>ST</sup> AVENUE ESTATE

# PART OF SECTION 5

PLATE 105

ST.

1459

ST.

1458

ST.

AVE.

AVE.



City & Suburban Homes, First Avenue Estate

York Avenue Development, Stahl York Avenue Company

Preliminary Development Analysis

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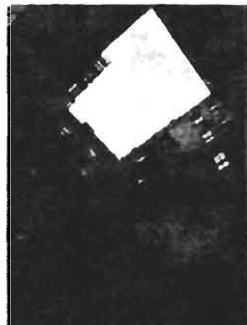
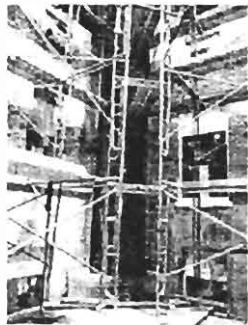
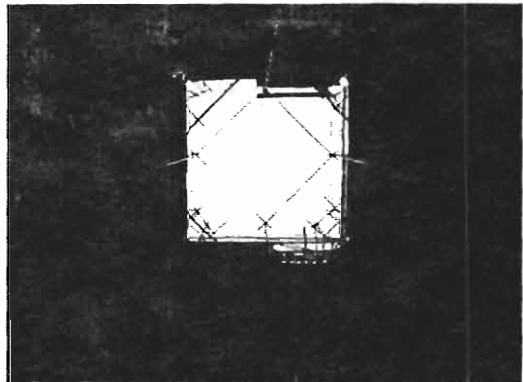


Existing Conditions: Exterior Photographs

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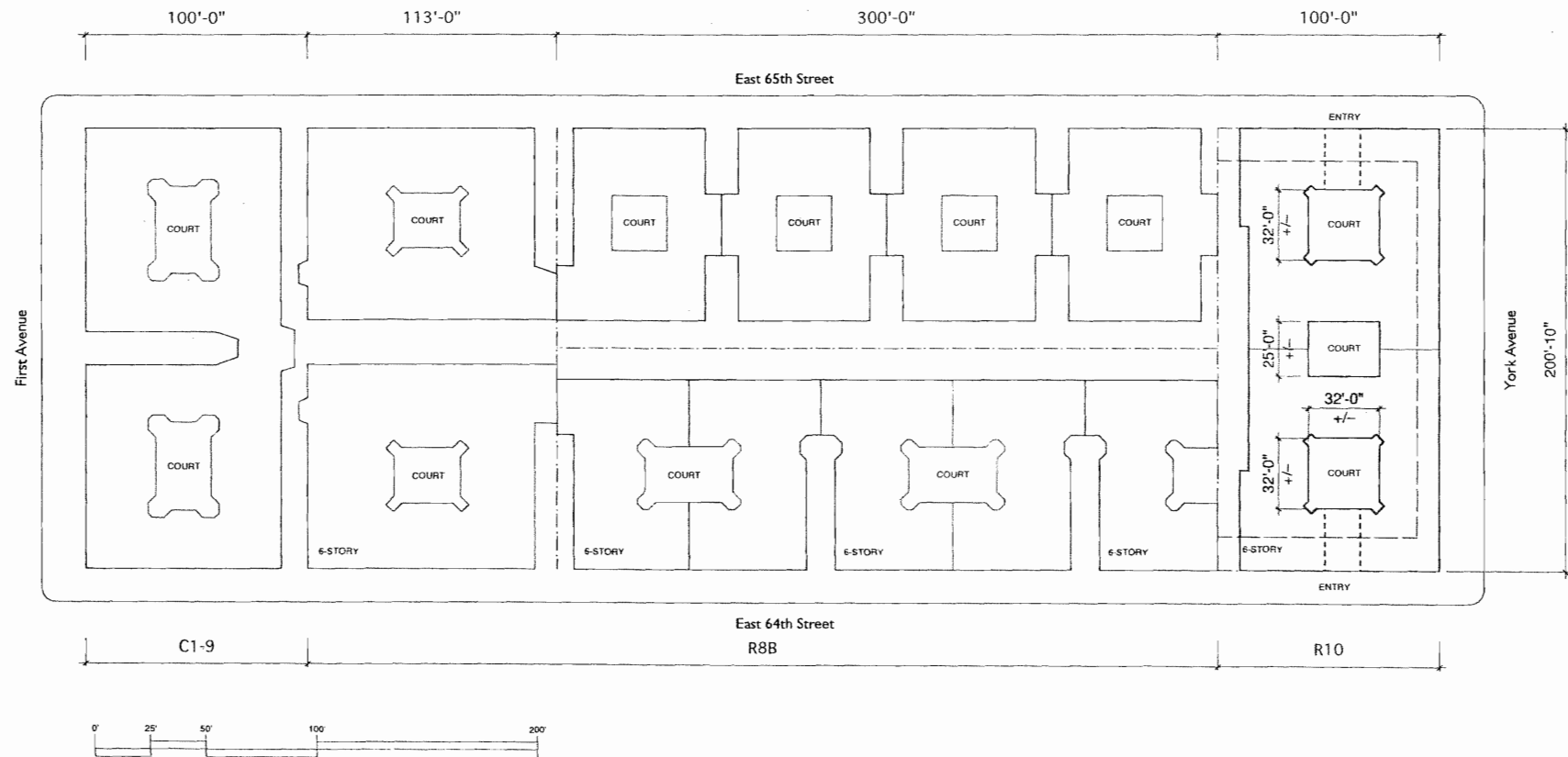




Existing Conditions: Court Yards

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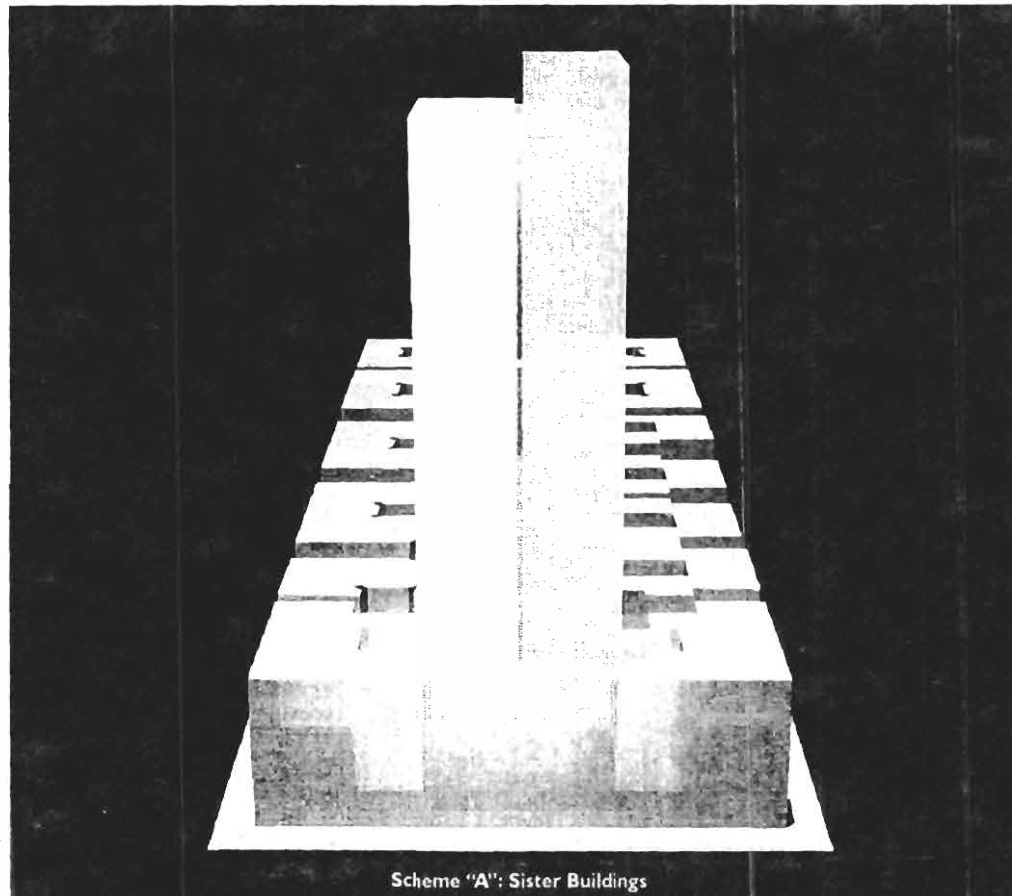


Existing Conditions: Site Plan

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*The Entry Courts  
are unique to these  
structures.*

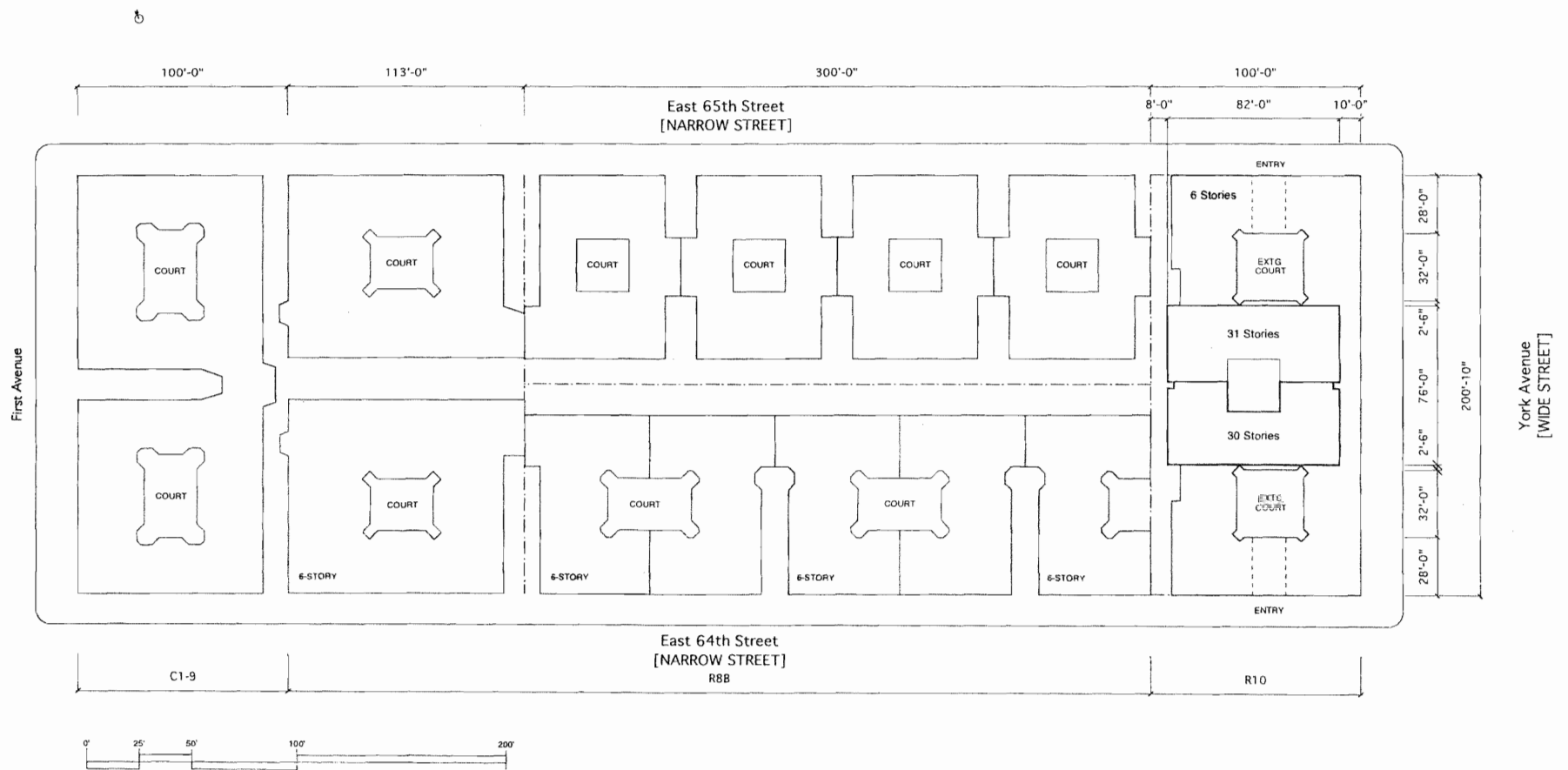
*The New Tower  
preserves the Entry  
Courts.*



*The Tower volume is then  
divided into two, creating  
Sister Buildings that align  
with the Courts.*

Scheme "A": Diagrams

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Note: All dimensions/areas schematic only.

## Scheme "A": Site Plan

### City & Suburban Homes, First Avenue Estate

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VIEW AT 1st Avenue Looking East Along 64th Street

Scheme "A" Sister Buildings:  
Photomontage: 1st Avenue

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view Looking East Along 65th Street



view Looking East Along 64th Street

Scheme "A" Sister Buildings:  
Photomontage Views Along 65/64th Streets

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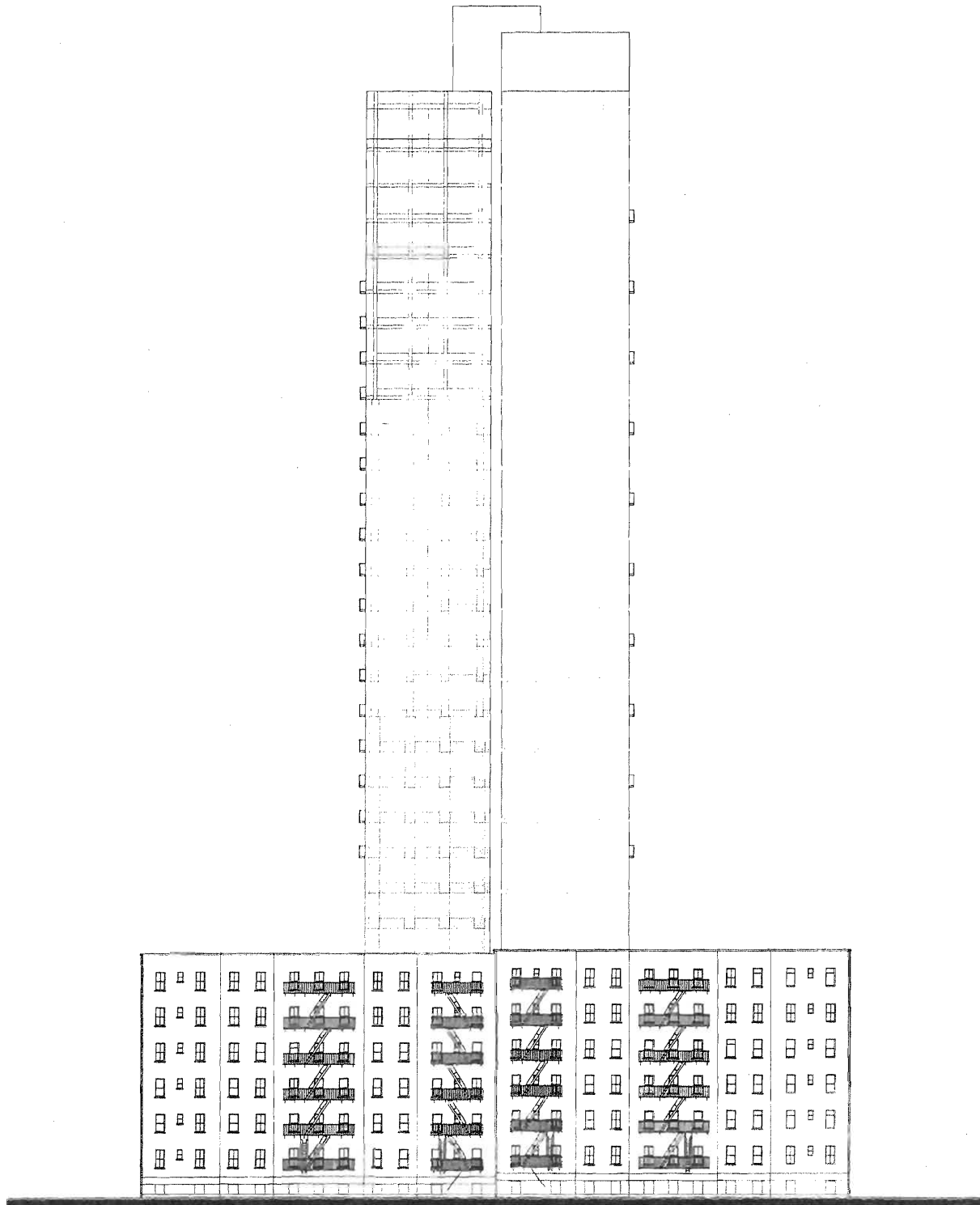
VIEW ALONG YORK AVENUE LOOKING NORTH at 51st Street



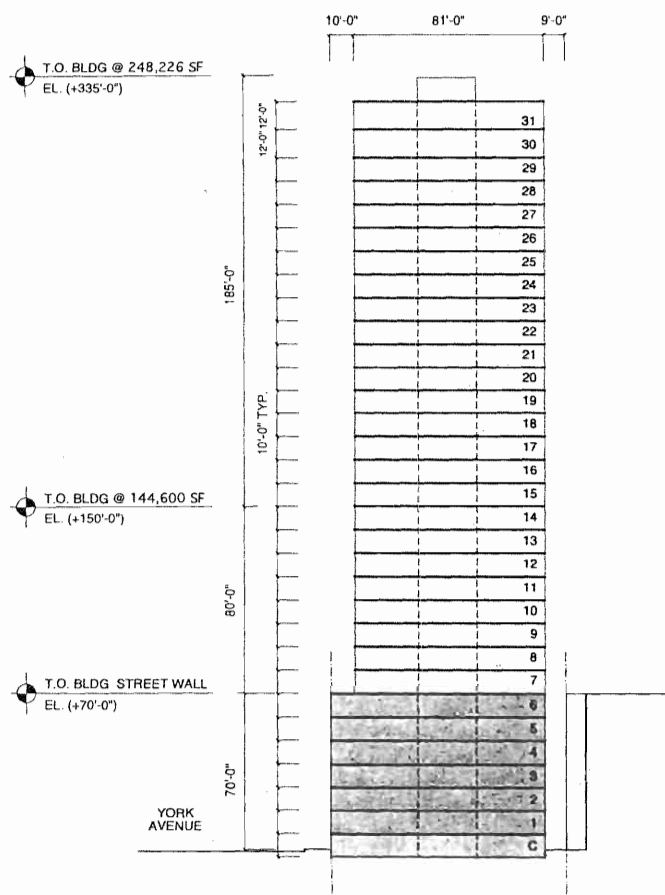
VIEW ALONG YORK AVENUE LOOKING SOUTH at 66th Street

Scheme "A", Sister Buildings  
Photomontages: York Avenue

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Scheme "A", Sister Buildings  
York Elevation



#### Zoning Data:

Lot Area:	R10	100' x 200.83'	20,083 gsf
FAR	R10	20,083 gsf X 10	200,830 zsf
Permitted:			
IH Bonus	R10	20,083 gsf x 2	40,166 zsf
Total FAR	R10		240,996 zsf
Allowed:			
Mechanical Deductions	R10	240,996 gsf x .03	7,230 gsf +/-
Total Development Potential	R10		248,226 gsf +/-

#### Tower on a Base Regulations:

Maximum Lot Coverage	R10		100%
Tower Lot Coverage (Min.)	30%	20,083 x .3	6,025 gsf
Area below 150' Req'd	60%	20,083 x .6	144,598 gsf
Street Wall:	Existing Street Wall, No Change.		
Initial Setbacks:	15' @ Narrow Street	E. 64th/65th York Avenue	
Parking:	10' @ Wide Street		
	None Required		

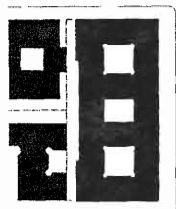
#### Building Size:

	# of floors	SF area per floor	total
Typical Base Plate +/-	6	15,921	95,726 gsf +/-
SF Below 150'	14	[req'd= 144,598]	144,600 gsf +/-
Typical Floor Plate: Tower	25	6,100	152,500 gsf +/-
Total Area [above grade]	30		248,226 gsf +/-

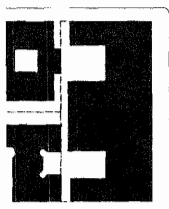
all numbers are preliminary and subject to change

Scheme "A": Elevation/Section/Areas





Existing Figure/Ground

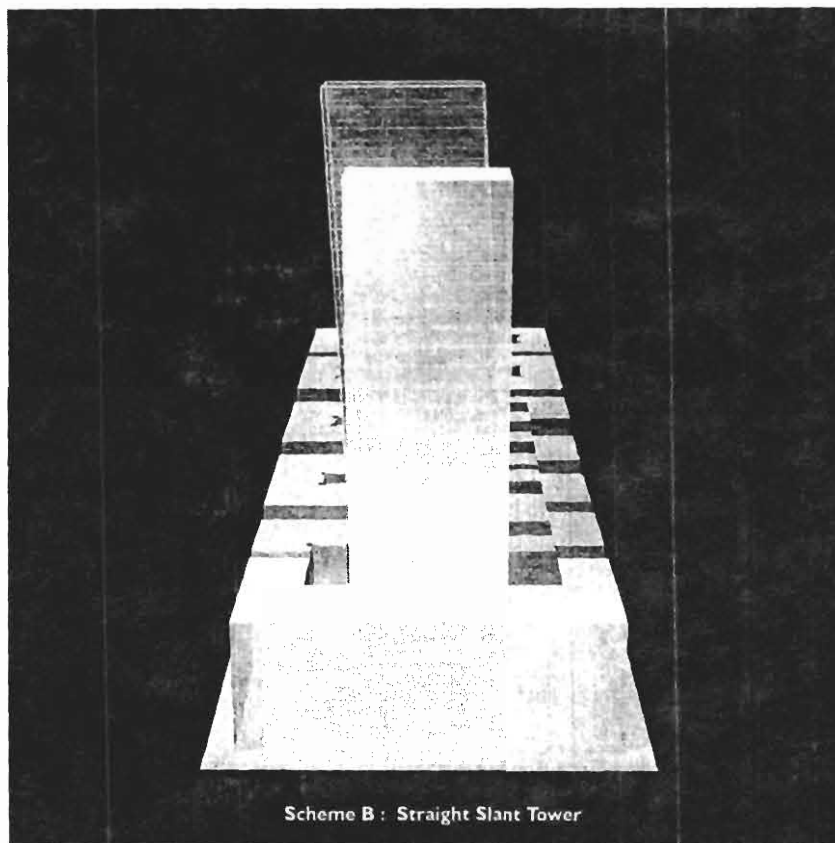


Proposed Figure/Ground

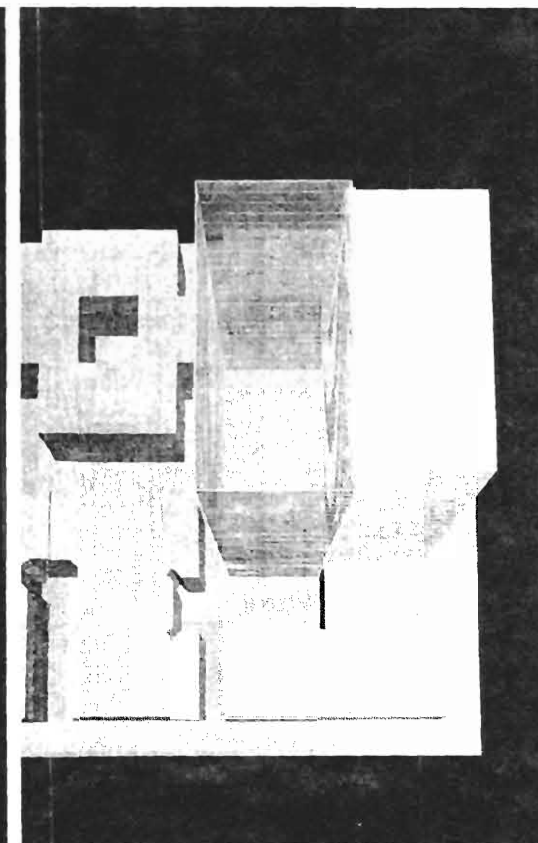


## Scheme "B": Straight/Slant Tower

Centered Tower, Split In Two, East-West  
 East Portion of Tower Aligns with Center of Property  
 West Portion Creates Two New Rear Courts:  
 South Court Absorbs Reflected Sunlight from Inward Slant of Tower.  
 North Court Receives More Daylight from the Outward Slant of Tower.



Scheme B : Straight Slant Tower



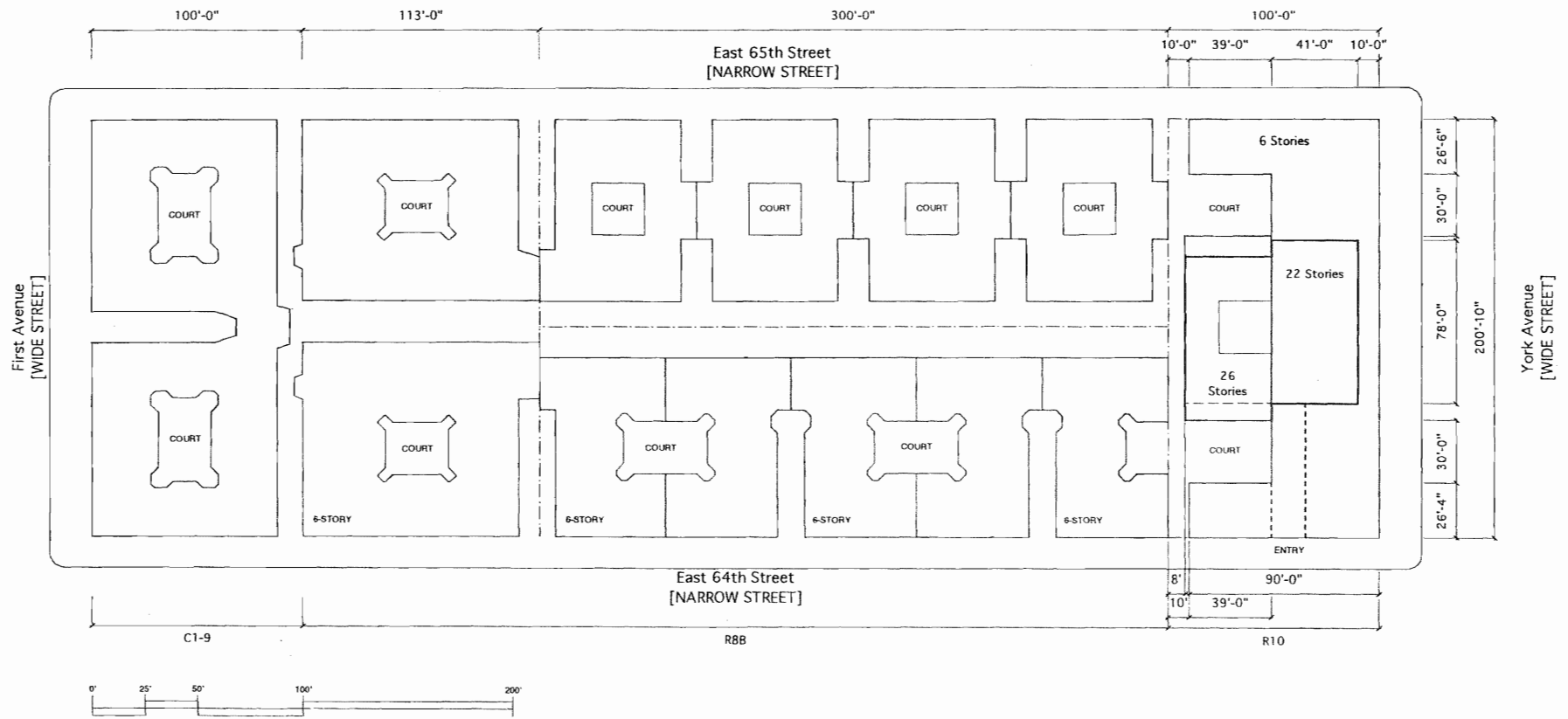
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Scheme "B": Site Plan



View at 1st Avenue Looking East Along 87th Street

Scheme "B"  
Photomontage: 1st Avenue

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View Looking East Along 65th Street



View Looking East Along 64th Street

Scheme "B"  
Photomontage Views Along 65/64th Streets

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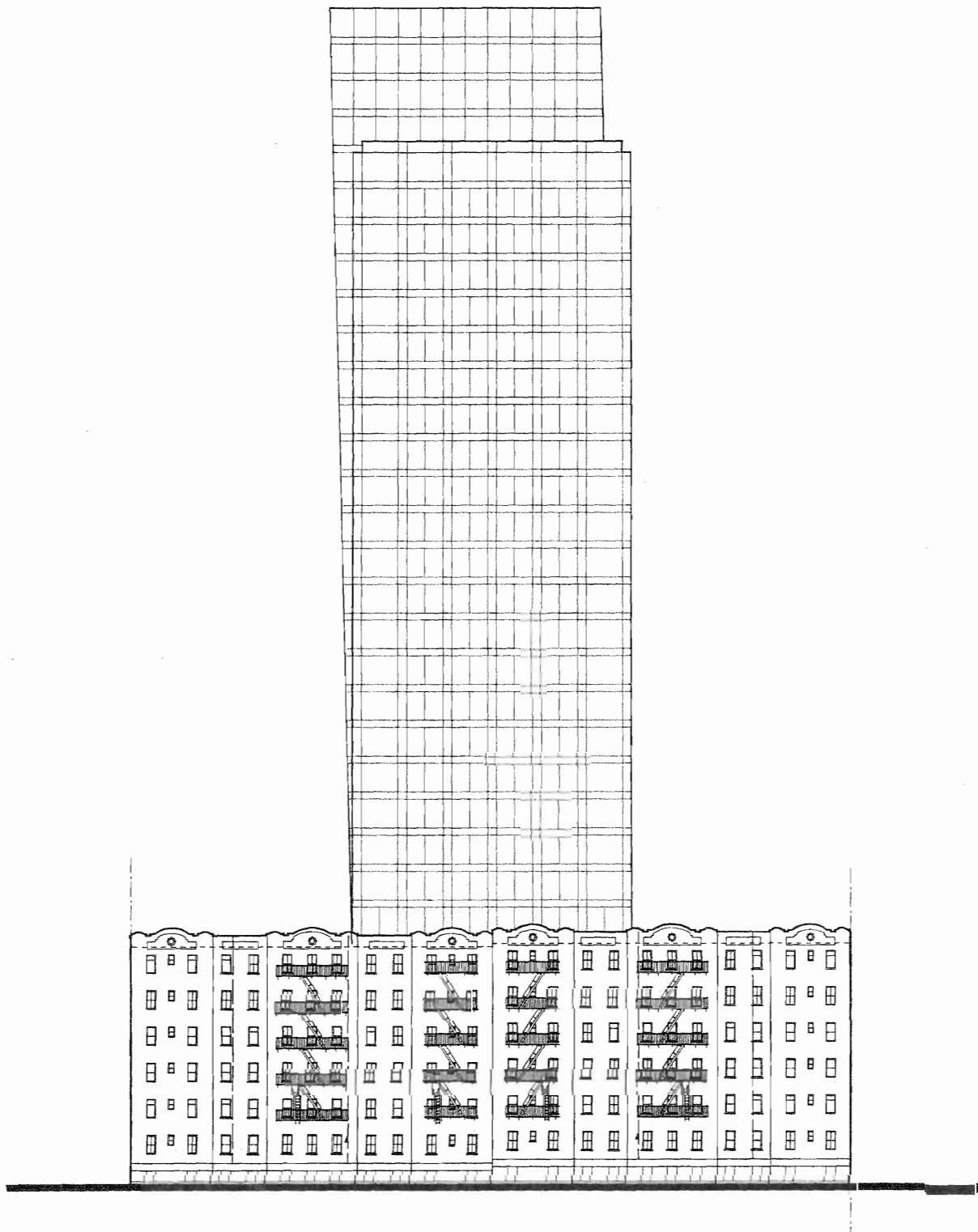
View Along York Avenue Looking North at 63rd Street



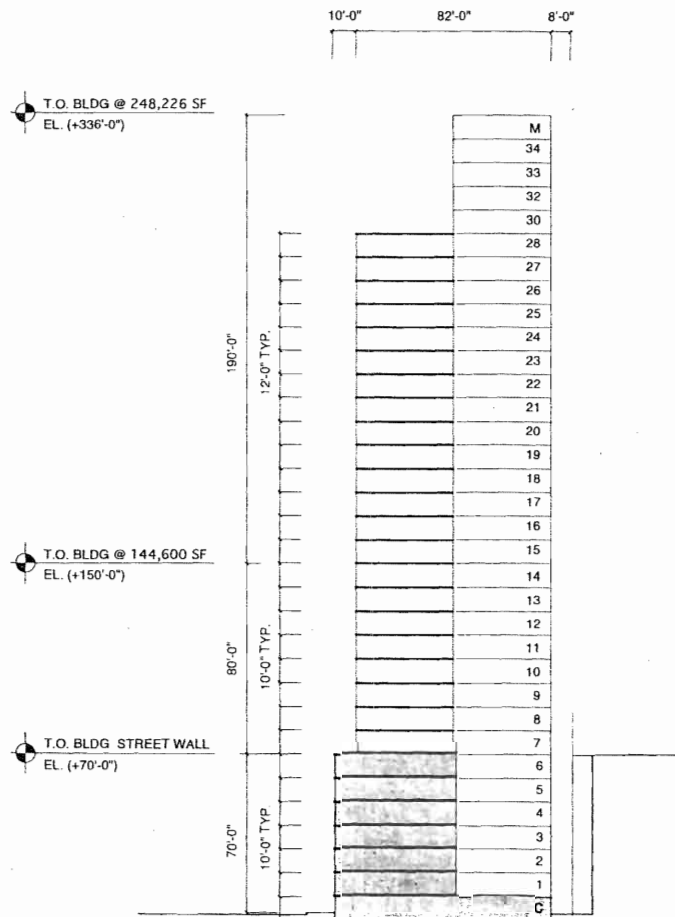
View Along York Avenue Looking South at 66th Street

Scheme "B"  
Photomontages: York Avenue

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Scheme "B"  
York Elevation



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Total FAR Allowed	R10		240,996 zsf
Mechanical Productions (+/- 3%)	R10	240,996 gsf x .03	7,230 gsf +/-
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Street Wall	Existing Street Wall, No Change.		
Initial Setbacks:	15' @ Narrow Street	E 64th/65th	
	10' @ Wide Street	York Avenue	
Parking:	None Required		

#### Building Size:

	# of floors	SF area per floor	total
Typical Base Plate (+/-)	6	15,519	93,474 gsf +/-
SF Below 150'	14	[req'd= 144,598]	144,642 gsf +/-
Typical Floor Plate Tower	22	6,396	140,712 gsf +/-
	4	3,510	14,040 gsf +/-
Total Area (above grade)	32		248,226 gsf +/-

All numbers are preliminary and subject to change

Scheme "B": Section/Areas

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RECORD

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