



ATLANTIC GARDENS

BOERUM HILL | BROOKLYN

**525 - 541
Atlantic Avenue**

Nine Consecutive Tax Class 1 & 2A Mixed-Use Buildings with
Development Potential in Boerum Hill, Brooklyn



Executive Summary

Jones Lang LaSalle (“JLL”) has been retained on an exclusive basis to arrange the sale of **Atlantic Gardens** (“The Properties”), nine consecutive tax class protected mixed-use properties in Boerum Hill, Brooklyn. Located at **525-541 Atlantic Avenue**, the buildings include ~12,000 RSF of ground floor retail, 18 free market and 6 rent stabilized units comprised of 1 studio, 11 one-bedroom units, 8 two-bedroom units and 4 three-bedroom units. There is an assumable \$15,000,000 CMBS loan in place with 7 years IO remaining at 4.79%



ROBUST MULTIFAMILY FUNDAMENTALS

As the pandemic receded, Boerum Hill achieved 19% rent growth year over year and stabilized to 2% vacancy in 2022 as a result of the mark to market, growing demand and limited supply. The massive increase in absorption will continue to place upward pressure on rents and diminish lease-up costs as inventory continues to decline.



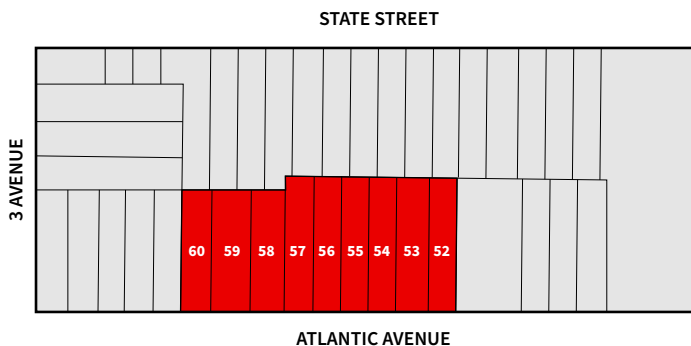
SUPERIOR CONNECTIVITY

The Properties are located one block away from the Atlantic Avenue-Barclay Center station, one of New York’s most transited subway stations with over 14 million passengers annually. It is served by nine subway lines **2 3 4 5 B D N Q R** and the LIRR. This incredible subway connectivity provides quick and direct access to every major employment center in New York. Residents can get to DUMBO in 15 minutes, the Financial District in 20 minutes and Midtown in under 30 minutes.



MATURING RETAIL MARKET

The Downtown Brooklyn retail market has gained the attention of major national brands. Today’s consumer brands understand that they need to be near their customer base to cater to their ever-changing preferences. The demographics in Downtown Brooklyn reflect an affluent, educated population with a significant disposable income stream. Brands like Trader Joe’s, Equinox, Target, Whole Foods, and Soulcycle are all within a ten minute walk from Atlantic Gardens.





Property Information

17,250 SF (IRREG.)

Combined Lot Size

33,759 SF

Combined Gross Square Footage of the 9 Properties

12,058 SF

Total Rentable Retail Square Footage Across 9 Stores

16,300 SF

Total Rentable Residential Square Across 24 Units

75%

Free Market Units

R7A, C2-4, DB

Zoning

35,241 BSF

Available Air Rights

\$756,049*

Total Tax Assessment (22/23)

All Tax Class 1 or 2A

\$110,694

Total Annual Tax Bill (22/23)

\$1,515,428

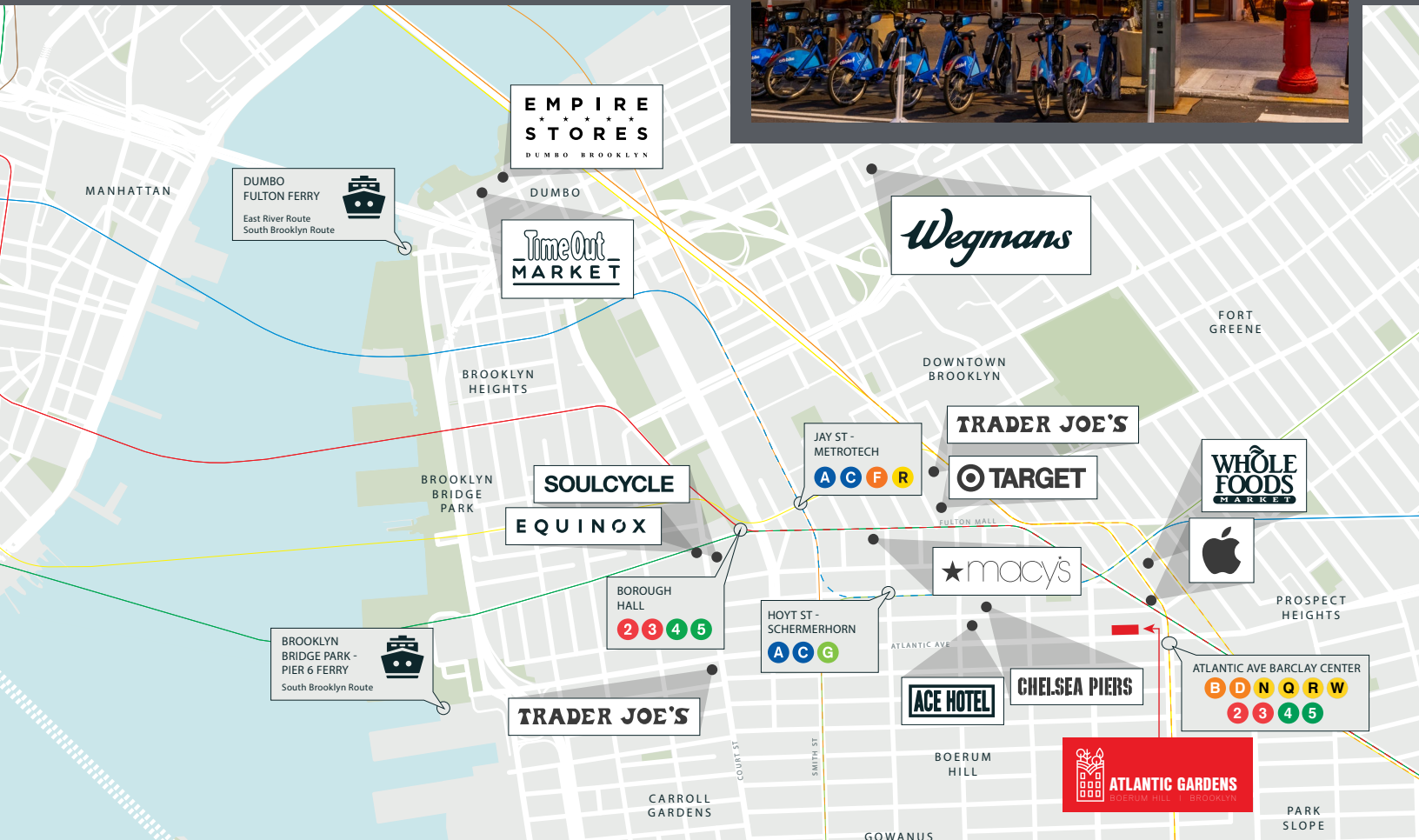
Net Operating Income

Location Overview



MATURING RETAIL MARKET

The Downtown Brooklyn retail market has gained the attention of major national brands. Today's consumer brands understand that they need to be near their customer base to cater to their ever-changing preferences. The demographics in Downtown Brooklyn reflect an affluent, educated population with a significant disposable income stream. Brands like Apple, Trader Joe's, Equinox, Target, Whole Foods, and Soulcycle are all within a ten minute walk from Atlantic Gardens.





SUPERIOR CONNECTIVITY

The Properties are located one block away from the Atlantic Avenue-Barclay Center station, one of New York's most transited subway stations with over 14 million passengers annually. It is served by nine subway lines **B D N Q R 2 3 4 5** and LIRR. This incredible subway connectivity provides quick and direct access to every major employment center in New York. Residents can get to DUMBO in 15 minutes, the Financial District in 20 minutes and Midtown in under 30 minutes.



Financial Summary

RETAIL RENT ROLL

UNIT	NAME	LEASE START	INITIAL EXPIRATION	OPTIONS	SF	\$ / SF	MONTHLY RENT	ANNUAL RENT	REAL ESTATE TAX
525GD	SmileDirectClub, LLC	4/23/19	5/31/24	TWO 5-YR OPTIONS (3%)	1,872	\$71	\$11,000	\$132,000	50% over 2018/2019 base year
527GD	The Finery NY LLC	7/31/19	12/31/29	None	1,014	\$91	\$7,649	\$91,789	50% over 2019/2020 base year
529GD	Poetica Coffee, Inc.	1/13/21	5/31/31	None	616	\$88	\$4,500	\$54,000	50% over 2020/2021 base year
531GD	MidtownFlorist, LLC	5/1/13	8/31/29	None	837	\$81	\$5,665	\$67,980	50% over 2018/2019 base year
533GD	Brewery	Lease Out	N/A	N/A	822	\$114	\$7,833	\$94,000	50% over 2022/2023 base year
535GD	Cloe Luv LLC	11/14/18	5/31/29	None	1,602	\$62	\$8,240	\$98,880	50% over 2018/2019 base year
537GD-LL	Vacant	Projected	N/A	N/A	1,670	\$79	\$11,000	\$132,000	N/A
539GD, 539LL, 541GD, 541LL	United States Postal Service	9/6/16	9/5/26	None	3,625	\$99	\$29,883	\$358,600	47% share
TOTAL / AVERAGE					12,058	\$85	\$85,771	\$1,029,249	

RESIDENTIAL RENT ROLL (PROJECTED)

UNIT	BR COUNT	TYPE	EXPIRATION	SF	\$ / SF	MONTHLY RENT	ANNUAL RENT	
525-A	3BR	Market Rent	5/31/23	900	\$63	\$4,725	\$56,700	
525-B	2BR	Market Rent	6/30/23	900	\$59	\$4,410	\$52,920	
527-A	2BR	Stabilized Rent	5/31/23	900	\$21	\$1,563	\$18,754	
527-B	2BR	Stabilized Rent	11/30/23	900	\$18	\$1,381	\$16,569	
529-A	2BR	Market Rent	8/31/23	900	\$53	\$3,960	\$47,520	
529-B	2BR	Market Rent	8/31/2022, Tenant Rolls	900	\$57	\$4,300	\$51,600	
531-A	2BR	Market Rent	6/30/2022, Tenant Rolls	850	\$68	\$4,800	\$57,600	
531-B	2BR	Market Rent	8/31/2022, Renewal	850	\$56	\$3,960	\$47,520	
533-A	1BR	Stabilized Rent	12/31/23	425	\$36	\$1,278	\$15,341	
533-B	1BR	Stabilized Rent	6/30/24	425	\$34	\$1,211	\$14,537	
533-C	1BR	Stabilized Rent	8/31/23	425	\$26	\$910	\$10,919	
533-D	1BR	Market Rent	7/31/2022, Tenant Rolls	425	\$107	\$3,800	\$45,600	
535-A	1BR	Market Rent	8/31/23	425	\$79	\$2,800	\$33,600	
535-B	1BR	Market Rent	10/31/22	425	\$71	\$2,500	\$30,000	
535-C	1BR	Market Rent	9/30/22	425	\$71	\$2,500	\$30,000	
535-D	1BR	Market Rent	8/31/23	425	\$83	\$2,935	\$35,220	
537-A	3BR	Market Rent	9/16/2022, Renewal	1,150	\$63	\$6,000	\$72,000	
537-B	3BR	Market Rent	1/31/23	900	\$60	\$4,490	\$53,880	
539-A	3BR	Market Rent	8/31/23	900	\$73	\$5,500	\$66,000	
539-B	2BR	Stabilized Rent	9/30/23	850	\$17	\$1,227	\$14,724	
541-A	Studio	Market Rent	N/A	425	\$85	\$3,000	\$36,000	
541-B	1BR	Market Rent	6/30/23	725	\$58	\$3,500	\$42,000	
541-C	1BR	Market Rent	9/30/22	425	\$71	\$2,500	\$30,000	
541-D	1BR	Market Rent	N/A	425	\$81	\$2,884	\$34,608	
TOTAL / AVERAGE					16,300	\$56	\$76,134	\$913,612
<i>Projected Super Unit</i>								
<i>Assumed Renewal / Rollover</i>								

REVENUE				
TYPE	YEAR 1 ASSUMPTION	\$ AMOUNT	\$ / GSF	% / GR
Residential Rent (FM)		\$822,768	\$24.37	42%
Residential Rent (RS)		\$90,844	\$2.69	5%
Retail Revenue		\$1,029,249	\$30.49	52%
Real Estate Tax Reimbursement		\$22,500	\$0.67	1%
Total Income		\$1,965,361	\$58.22	100%
Residential Vacancy & Credit Loss	<i>2% of Gross Income</i>	\$18,272	\$0.54	1%
Retail Vacancy & Credit Loss	<i>5% of Gross Income</i>	\$52,587	\$1.56	3%
Effective Gross Income		\$1,894,502	\$56.12	96%
Expenses				
Real Estate Taxes	<i>Department of Finance</i>	\$112,297	\$3.33	6%
Insurance	<i>Estimated at \$650 / Apartment</i>	\$15,600	\$0.46	1%
Utilities	<i>T12</i>	\$63,919	\$1.89	3%
Salaries & Payroll	<i>T12</i>	\$74,308	\$2.20	4%
Leasing & Marketing	<i>Estimated at 20% unit turnover with 1 Month OP</i>	\$14,315	\$0.42	1%
Legal	<i>Estimated at \$10,000 / Year</i>	\$10,000	\$0.30	1%
Repairs & Maintenance	<i>Estimated at \$700 / Apartment</i>	\$16,800	\$0.50	1%
General & Administrative	<i>Estimated at \$15,000 / Year</i>	\$15,000	\$0.44	1%
Property Management	<i>Estimated at 3.00% of effective gross income</i>	\$56,835	\$1.68	3%
Total Expenses		\$379,074	\$11.23	19%
NET OPERATING INCOME		\$1,515,428	\$44.89	77%

*Includes \$1,603 of BID Tax



 **ATLANTIC GARDENS**
BOERUM HILL | BROOKLYN



NYS HOUSING AND ANTI-DISCRIMINATION NOTICE

Federal, State and Local Fair Housing and Anti-discrimination Laws protect individuals from housing discrimination. It is unlawful to discriminate based on certain protected characteristics, which include, but are not limited to: race, creed, color, national origin, sexual orientation, gender identity or expression, military status, sex, age, disability, marital status, lawful source of income or familial status.

THE FOLLOWING ARE SOME EXAMPLES OF POTENTIAL FAIR HOUSING VIOLATIONS:

- Refusing to rent, sell or show a property based on a potential tenant or purchaser's protected characteristic.
- Quoting a higher price to a purchaser or renter because of the potential purchaser or tenant's protected characteristic.
- Refusing to rent to a tenant who has children or increasing a security deposit based on the number of children who will be living in the apartment.
- Steering prospective tenants or purchasers to certain neighborhoods based on any protected characteristics.
- Refusing to rent to a potential tenant because of their source of income, including but not limited to, Section 8 vouchers or other government subsidies.
- Refusing to waive a "no pet" policy for tenants that require a service, assistance or emotional support animal.
- Discriminating at the direction of a seller or landlord or because it is the preference of a seller or landlord.
- Refusing to rent to a renter who is a victim of domestic violence.

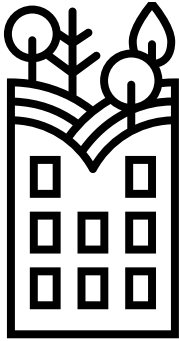
YOU HAVE THE RIGHT TO FILE A COMPLAINT

- New York State, Department of State: (518) 474-4429
- New York State, Division of Human Rights: (844) 862-8703

ALBANY OFFICE: One Commerce Plaza, 99 Washington Avenue, P.O. Box 22001, Albany, NY 12201-2001
• Customer Service: (518) 474-4429 • Website: <https://dos.ny.gov> • E-Mail: licensing@dos.ny.gov

REGIONAL OFFICES:
• BINGHAMTON • BUFFALO • HAUPPAUGE • NEW YORK CITY • UTICA

*This sign must be prominently posted in all real estate broker offices
and at all public open houses.*



ATLANTIC GARDENS

BOERUM HILL | BROOKLYN

CONTACT EXCLUSIVE AGENTS

Stephen Palmese

Senior Managing Director

+1 212 376 1228

stephen.palmese@am.jll.com

Jay Leshinsky

Associate

+1 212 376 1225

jay.leshinsky@am.jll.com

Brendan Maddigan

Senior Managing Director

+1 212 376 5449

brendan.maddigan@am.jll.com

Ethan Stanton

Managing Director

+1 212 376 4002

ethan.stanton@am.jll.com

Winfield Clifford

Managing Director

+1 212 376 5443

winfield.clifford@am.jll.com

Michael Mazzara

Managing Director

+1 212 376 5450

michael.mazzara@am.jll.com

