

1738 UNIVERSITY AVENUE

MORRIS HEIGHTS, BRONX, NY



MERIDIAN
INVESTMENT SALES

1738 UNIVERSITY AVENUE

MORRIS HEIGHTS, BRONX, NY





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"WITH OVER \$74,000 OF PREFERENTIAL RENTS, THIS WELL-MAINTAINED ELEVATOR BUILDING OFFERS IMMEDIATE UPSIDE"

Meridian Investment Sales is pleased to offer for sale 1738 University Avenue – a six story, 72-unit elevator apartment building in the heart of the rapidly gentrifying neighborhood of Morris Heights, directly across from a branch of the New York Public Library. The building offers views of University Malls, a landscaped island along the University Avenue corridor featuring sidewalks & shaded areas for pedestrians and is surrounded by a plethora of parks including Hayden Lord Park to the west, Morton Playground to the north, Galileo Playground to the east and Half Nelson Playground to the south. Located on University Avenue between Brandt Place and Macombs Road, the building is in close proximity to several amenities and transportation options, including parks, schools, and libraries as well as the 4 train at 176th Street / Jerome Avenue station and the B/D trains at 174-175 Street station.

The 150-foot wide property is comprised of 4 studio units, 48 one-bedroom units, 16 two-bedroom units, and 4 three-bedroom units. Of the 72 units, 26 are Rent Stabilized and 46 are Section 8 / Rent Stabilized units including a substantial amount of Enhanced S8 vouchers. With an average in-place monthly rent of \$1,450 and preferential rent of over \$74,000, the units are significantly below market with a clear and immediate path for significant increases. Investors will benefit from reliable cash flow as ownership currently enjoys average S8 collections of approximately \$57,000 per month.

The property went through a moderate rehabilitation in 1984 and exited the program in 2004. Recent substantial improvements include redone parapet, security cameras, modern elevator controls and cab, and interruptible gas / oil boiler with a 5,000 gallon above grade oil tank in place. Ownership has proactively audited and retro-commissioned the building to comply with Local Law 87 (next report not due until 2026) and is also in compliance with Local Law 11. In addition, the building offers minimal violations and a working compactor room. Investors will enjoy a stable cash flowing property in the highly sought-after Morris Heights neighborhood that will require limited capital expenditure in the near term.

ASKING PRICE: \$12,000,000

INVESTMENT HIGHLIGHTS

- Income Profile: Average in-place monthly rents in excess of \$1,450 with over \$74,000 of preferential rents.
- Prime Location: Prime Morris Heights around the corner from several local trains and directly across the street from New York Public Library.
- Family Friendly Neighborhood: Excellent restaurants, playgrounds, parks, and shopping.

1738 UNIVERSITY
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PROPERTY SUMMARY

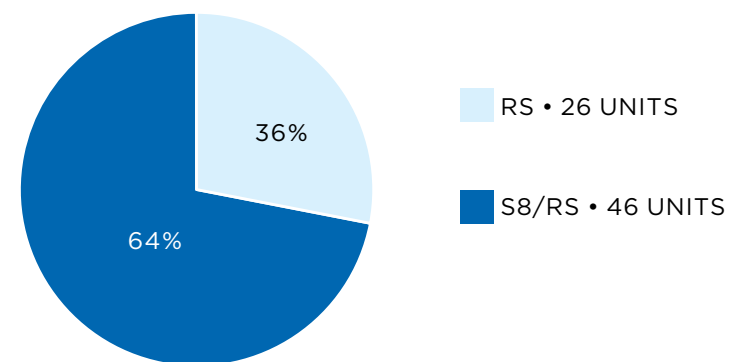
Borough	Bronx
Neighborhood	Morris Heights
Description	Multi-Family Elevator Building
Cross Streets	Brandt Place & Macombs Road
Block / Lot	2876 / 112
Lot Dimensions / As Built	150.08' x 100.00' / 150.00' x 87.00'
Lot Area (SF)	15,008 SF
Stories	6
Year Built	1925
Gross SF	67,000 SF
Apartments	72 Apartments
Layout	2 / 4; 3 / 48; 4 / 16; 5 / 4
Avg. Unit Size (10% Loss Factor)	838 SF
Zoning	R7-1 / C1-4
Built FAR	4.46
Air Rights	Overbuilt
Avg. Monthly Rent	\$1,444
Rooms	236 Rooms
Avg. Rent / Room	\$440
Avg. Rent / PSF	\$20.69
Violations	3 / A; 2 / B; 4 / C

ASKING PRICE: \$12,000,000

Cap. Rate	5.44%
\$ / SF	\$179
\$ / Unit	\$167,000
GRM	9.8x

REAL ESTATE TAX SUMMARY

Exemptions and Abatements	None
Tax Class	2
Tax Rate	12.267%
2021 / 2022 Actual AV	\$1,592,550
2021 / 2022 Transitional AV	\$1,614,690
2021 / 2022 Taxes	\$195,358

UNIT MIX SUMMARY**UNIT MIX SUMMARY**

ROOMS	COUNT	%	AVG. RENT
2	4	6%	\$1,352
3	48	67%	\$1,404
4	16	22%	\$1,555
5	4	6%	\$1,563
TOTAL	72	100%	\$1,444

FINANCIAL OVERVIEW

INCOME & EXPENSE SUMMARY

REVENUE	
Residential Income	\$1,247,460
Less Vacancy / Collection @ 2%	(\$24,950)
GROSS INCOME	\$1,222,510
Potential Pref. Rent	\$74,440
OPERATING EXPENSES	
Real Estate Taxes (2021 / 2022)	\$195,360
Insurance	\$59,120
Electric	\$11,770
Fuel (Interruptible Gas / Oil)	\$69,980
Water & Sewer	\$79,990
Payroll (non-union)	\$50,000
Repairs, Maintenance, & Misc.	\$54,000
Management Fee (4%)	\$48,900
TOTAL EXPENSES	\$569,120
NET OPERATING INCOME	\$653,390

RENT ROLL

Number	Unit	Rooms	Lease End	Status	2021 Legal Rent	In-Place Rent	Pref. Rent
1	1A	2	6/30/2022	RS	\$1,608.00	\$1,326.48	\$281.52
2	1B	2	11/30/2021	RS	\$1,134.54	\$1,134.54	
3	1C	5	1/31/2022	S8 / RS	\$1,733.03	\$1,733.03	
4	1D	3	7/31/2022	S8 / RS	\$1,761.80	\$1,511.88	\$249.92
5	1E	3	3/31/2022	RS	\$1,373.32	\$1,373.32	\$0.00
6	1F	3	5/31/2022	S8 / RS	\$1,588.10	\$1,588.10	
7	1G	3	7/31/2023	S8 / RS	\$1,768.05	\$1,650.00	\$118.05
8	1H	3	8/31/2022	S8 / RS	\$1,378.41	\$1,378.41	
9	1J	3	12/31/2022	RS	\$1,648.21	\$1,344.88	\$303.33
10	1K	5	1/31/2022	S8 / RS	\$1,501.27	\$1,501.27	\$0.00
11	1L	2	5/31/2022	RS	\$1,298.93	\$1,298.93	
12	1M*	2	4/30/2022	S8 / RS	\$1,789.92	\$1,649.38	\$140.54
13	2A	3	1/31/2022	S8 / RS	\$1,178.18	\$1,178.18	
14	2B	4	10/31/2021	S8 / RS	\$1,782.24	\$1,782.24	
15	2C	3	6/30/2022	S8 / RS	\$1,547.29	\$1,547.29	
16	2D*	3	4/30/2022	RS	\$1,629.10	\$1,588.48	\$40.62
17	2E	3	2/28/2022	RS	\$1,770.89	\$1,435.00	\$335.89
18	2F	3	1/31/2022	S8 / RS	\$1,241.63	\$1,241.63	
19	2G	3	1/31/2022	S8 / RS	\$1,152.06	\$1,152.06	
20	2H	3	4/30/2022	S8 / RS	\$1,532.25	\$1,532.25	
21	2J	5	1/31/2022	S8 / RS	\$1,533.78	\$1,533.78	
22	2K	3	6/30/2023	RS	\$2,125.42	\$1,486.25	\$639.17
23	2L	3	6/30/2022	RS	\$1,518.42	\$1,347.88	\$170.54
24	2M	3	11/30/2021	S8 / RS	\$1,694.89	\$1,554.93	\$139.96
25	3A	3	4/30/2022	S8 / RS	\$1,486.23	\$1,486.23	

RENT ROLL

Number	Unit	Rooms	Lease Start	Lease End	Status	2021 Legal Rent	In-Place Rent	Pref. Rent
26	3B	4	4/1/1984	1/31/2023	S8 / RS	\$1,313.24	\$1,313.24	
27	3C	4	7/1/2018	6/30/2022	S8 / RS	\$2,184.93	\$1,896.25	\$288.68
28	3D	3	2/1/2013	1/31/2022	RS	\$1,709.93	\$1,537.50	\$172.43
29	3E	3	5/1/2009	4/30/2022	S8 / RS	\$1,341.41	\$1,341.41	\$0.00
30	3F	3	8/3/2007	8/31/2022	S8 / RS	\$1,532.15	\$1,532.15	
31	3G	3	4/1/2007	3/31/2022	S8 / RS	\$1,479.24	\$1,479.24	
32	3H	4	6/1/2005	5/31/2022	S8 / RS	\$1,596.26	\$1,596.26	
33	3J	4	10/1/2013	9/30/2021	RS	\$2,065.89	\$1,665.63	\$400.26
34	3K	3	6/1/1990	1/31/2022	S8 / RS	\$1,178.18	\$1,178.18	
35	3L	3	5/15/2004	5/31/2022	RS	\$855.66	\$855.66	
36	3M	3	7/1/2014	6/30/2022	RS	\$1,246.29	\$1,246.29	
37	4A	3	11/1/1995	1/31/2022	S8 / RS	\$1,181.33	\$1,181.33	
38	4B	4	10/1/1994	1/31/2022	S8 / RS	\$1,424.14	\$1,424.14	
39	4C	4	6/1/1995	1/31/2022	S8 / RS	\$1,349.68	\$1,349.68	
40	4D	3	11/14/2005	11/30/2021	RS	\$1,487.34	\$1,487.34	
41	4E	3	10/15/2008	10/31/2021	S8 / RS	\$1,682.17	\$1,583.40	\$98.77
42	4F	3	10/1/2015	11/30/2021	RS	\$1,764.42	\$1,500.00	\$264.42
43	4G	3	6/1/2009	2/28/2022	RS	\$1,511.45	\$1,511.45	
44	4H	4	11/1/1991	1/31/2023	S8 / RS	\$1,361.51	\$1,361.51	
45	4J	4	2/1/2004	1/31/2022	S8 / RS	\$1,606.06	\$1,606.06	
46	4K	3	4/15/2015	4/30/2023	RS	\$2,089.73	\$1,650.00	\$439.73
47	4L	3	5/1/2013	4/30/2022	RS	\$1,311.94	\$1,311.94	
48	4M	3	12/15/2015	12/31/2021	RS	\$1,620.64	\$1,400.00	\$220.64
49	5A	3	5/1/2009	4/30/2022	S8 / RS	\$1,361.10	\$1,361.10	
50	5B	4	4/1/2004	3/31/2022	S8 / RS	\$1,718.25	\$1,718.25	

RENT ROLL

Number	Unit	Rooms	Lease Start	Lease End	Status	2021 Legal Rent	In-Place Rent	Pref. Rent
51	5C	4	11/1/2008	10/31/2021	S8 / RS	\$1,851.95	\$1,793.75	\$58.20
52	5D	3	1/1/2001	11/30/2021	RS	\$1,225.34	\$1,225.34	
53	5E	3	7/1/2014	6/30/2022	S8 / RS	\$1,895.11	\$1,537.50	\$357.61
54	5F	3	8/1/2012	7/31/2023	S8 / RS	\$1,682.04	\$1,600.00	\$82.04
55	5G	3	9/1/2008	8/31/2022	S8 / RS	\$1,500.45	\$1,500.45	
56	5H	4	3/1/2001	1/31/2022	S8 / RS	\$1,411.70	\$1,411.70	
57	5J	4	2/1/2015	1/31/2022	S8 / RS	\$2,534.90	\$1,716.88	\$818.02
58	5K	3	4/1/2008	3/31/2022	S8 / RS	\$1,404.06	\$1,404.06	
59	5L	3	10/15/2012	10/31/2021	RS	\$1,146.22	\$1,146.22	
60	5M	3	4/15/2014	5/31/2022	RS	\$1,174.31	\$1,174.31	
61	6A	3	10/1/2015	9/30/2022	S8 / RS	\$1,609.41	\$1,587.55	\$21.86
62	6B	5	4/1/1991	1/31/2022	S8 / RS	\$1,483.25	\$1,483.25	
63	6C	4	10/1/106	9/30/2022	S8 / RS	\$1,684.56	\$1,587.55	\$97.01
64	6D	3	8/1/2009	7/31/2022	S8 / RS	\$1,511.45	\$1,511.45	
65	6E	3	7/1/1995	1/31/2022	S8 / RS	\$1,229.59	\$1,229.59	
66	6F	3	2/1/1991	1/31/2022	S8 / RS	\$1,213.22	\$1,213.22	
67	6G*	3	6/1/2019	5/31/2022	RS	\$1,829.77	\$1,622.99	\$206.78
68	6H	4	3/1/1992	1/31/2022	RS	\$1,339.80	\$1,339.80	
69	6J	4	10/1/2000	1/31/2022	S8 / RS	\$1,318.99	\$1,318.99	
70	6K	3	6/1/2009	-	RS	\$1,450.00	\$1,450.00	
71	6L	3	2/1/2013	1/31/2022	RS	\$1,182.53	\$1,116.50	\$66.03
72	6M	3	11/16/2018	11/30/2021	S8 / RS	\$1,748.08	\$1,539.76	\$208.32
Monthly:		236				\$110,175.63	\$103,955.29	\$6,220.34
72 Units	Annual:					\$1,322,107.56	\$1,247,463.48	\$74,644.08





LOCATION OVERVIEW

"DUE TO THE INFLUX OF PRIVATELY AND PUBLICLY FUNDED PROJECTS, COUPLED WITH THE EXTRAORDINARY DEMAND FOR AFFORDABLE HOUSING NEAR PUBLIC TRANSPORTATION, THE NEIGHBORHOOD FUNDAMENTALS CONTINUE TO EXCEL"

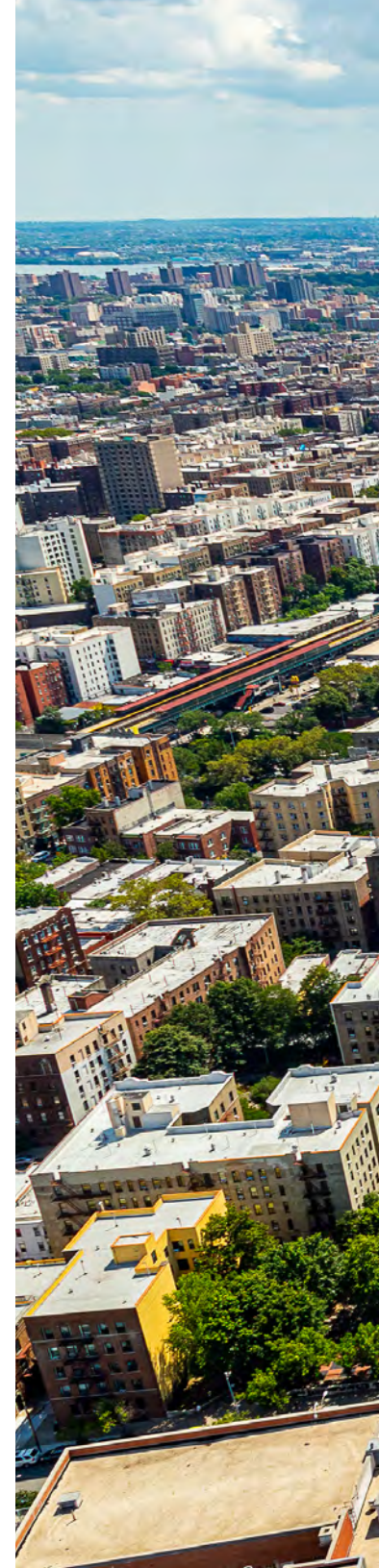
Morris Heights is a working-class residential neighborhood located in the West Bronx, north of the Cross-Bronx Expressway and north of Harlem. In spite of the hilly terrain, the neighborhood is thought to be one of the most walkable in the Bronx. The half square mile area is densely populated and contains an abundance of dining and shopping options. Due to the influx of privately and publicly funded projects, coupled with the extraordinary demand for affordable housing near public transportation, the neighborhood fundamentals continue to excel. Overall, with the 4 and B/D trains just steps away from the property, commuting to Manhattan and the Queens can be done with ease.

NEW DEVELOPMENTS

- 29 Featherbed Lane: This 12-story residential development filed for permits in November 2018 and will contain 160 residential units. It will span 128,774 square feet, with 9 enclosed parking spaces and a 36 foot yard in front of the building.
- 1544 Shakespeare Avenue: The proposed 70-foot-tall development will span 95,455 square feet with 83,463 square feet for residential, 8,877 square feet for retail, and the remaining 3,115 square feet for community facilities. Demolition permits were filed in April of 2019.
- 1526 Sedgwick Avenue: Permits have been filed for the eight-story residential building, rising 85 feet. The structure will yield 32,980 square feet, with 26,800 square feet dedicated for residential use.

PARKS & ATTRACTIONS

- Morris Heights is home to the Old Croton Aqueduct Trail. This was New York City's first water supply system. The aqueduct was constructed with a continuous slope, allowing gravity to naturally pull water towards the city.
- Bridge Park enjoys the views of the Harlem River with ample greenways and seating areas. There is also Highbridge Park, a tranquil destination with unbelievable views of the sunset over Manhattan.



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LOCATION OVERVIEW





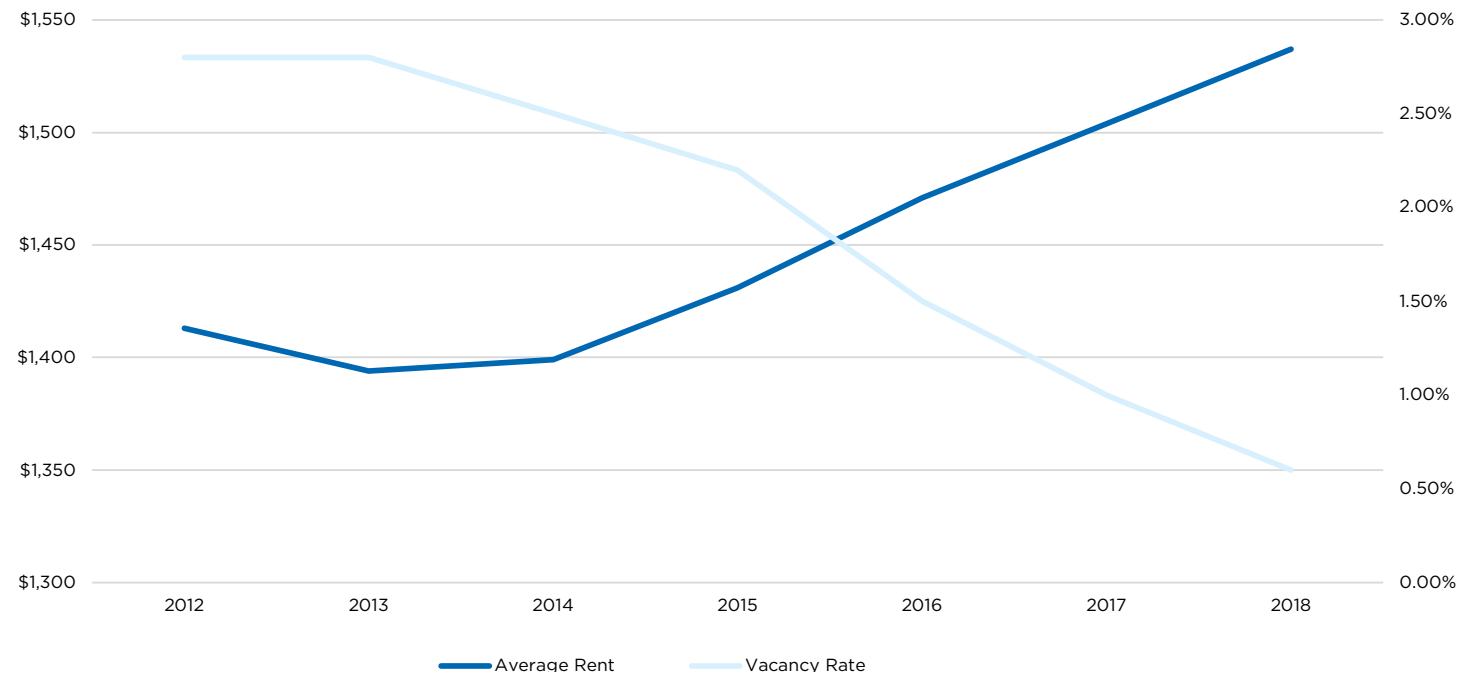
TRANSPORTATION

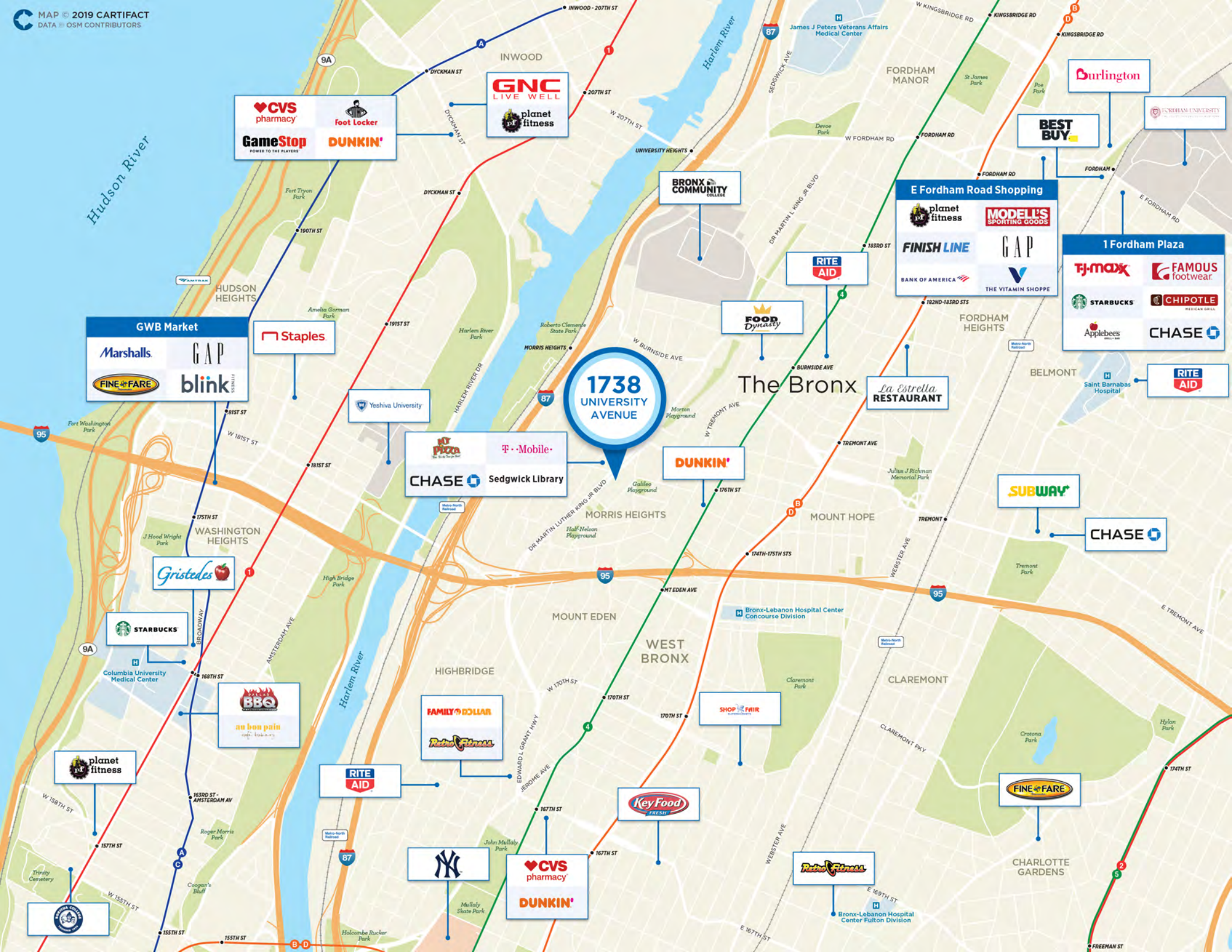
- The 4 train runs across Morris Heights above ground along Jerome Avenue. The station is conveniently located at the intersection of West 176th Street and Jerome Avenue.
- The B/D trains are located a short walk from the building at East 175th Street and Grand Concourse.
- Multiple MTA bus routes service the Morris Heights neighborhood. These include the Bx3, Bx18, Bx32, Bx36, Bx40, and Bx42.
- In addition to the plethora of local subway and bus lines, the Morris Heights Metro North Station provides access to Manhattan and Westchester County.

RESIDENTIAL DEMAND



MORRIS HEIGHTS MARKET TRENDS





An aerial photograph of a densely populated urban area, likely in New York City. The image shows a grid of streets filled with multi-story brick and stone buildings. A large river, the Hudson River, flows along the left side of the frame. In the center-right, a blue location pin graphic is overlaid, containing the text "1738 UNIVERSITY AVENUE". The sky is bright blue with scattered white clouds. The overall scene depicts a vibrant, established neighborhood.

1738
UNIVERSITY
AVENUE

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While the Brochure contains physical description information of the Property, there are no references to its condition. Neither

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In the Brochure, certain documents, including leases and other materials, are described in summary form. The summaries do not purport to be complete nor, necessarily, accurate descriptions of the full terms or agreements involved, nor do they purport to constitute a legal analysis of the provisions of the documents. Interested parties are expected to independently review all relevant documents which may or may not be referenced in this Brochure. The terms and conditions stated in this section will relate to all of the sections of the Brochure as if stated independently therein. If, after reviewing the Brochure, you have no further interest in purchasing the Property, kindly return the Brochure and all other documents accompanying the Brochure to MCG at your earliest possible convenience.

Photocopying or any other reproduction or duplication of the Brochure is not authorized. The Brochure shall not be deemed an indication of the state of affairs of Owner, nor constitute an indication that there has been no change in the business or affairs of Owner or the Property since the date of preparation of the Brochure. Once you have expressed an offer to acquire the property and have demonstrated certain bona fides satisfactory to Owner, certain further and additional information may be provided in order for you to complete your due diligence investigation, such as complete and detailed rent roll information, expense pass-throughs, and expenses.

Zoning is a critical factor in the value of the Property. All zoning information must be independently verified as the Owner or MCG does not make any representation with respect thereto.

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MERIDIAN INVESTMENT SALES TEAM

A DIVISION OF MERIDIAN CAPITAL GROUP

Meridian's Investment Sales division is comprised of some of the top investment sales professionals in New York City. With more than 75 years of combined New York real estate transactional experience exceeding \$35 billion in value, Meridian's team of investment sales professionals includes best-in-class expertise across a breadth of asset types, transaction sizes, and sub markets. Meridian's team has an intimate knowledge of New York City real estate, knowing neighborhoods on a door-by-door basis, and has a deep and detailed understanding not just of how a property's tenancy and cash flow drive value, but also of how drivers such as zoning, land use, air rights, and alternative uses play a key role in determining a property's true market value. The Meridian team has an unparalleled knowledge of the buyer base and capital flows germane to the New York City investment sales market at any given point in time, and maintains excellent working relationships with a wide array of local, national, and international buyers.

Meridian's Investment Sales professionals have transacted in New York City over the course of many macro and micro market cycles. As such, clients seek out Meridian's team not only when they have decided to sell a property, but also as trusted advisors that can offer unique perspectives relative to portfolio management, risk mitigation, and value creation.

Meridian Capital Group was founded in 1991. It is widely recognized as one of the leading and prolific commercial real estate finance and advisory firms in the country. Meridian has arranged \$286 billion of commercial real estate financings, including more than 48,231 transactions in 49 states.

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