

326-328 East 4th Street

An Investment Opportunity



Prepared by the Blumstein Team at Corcoran

326-328 East 4th Street

- **Side by side townhomes for sale together**
 - Current asking price is \$3,950,000
 - Potential to buy below asking price
- **Total Square Footage – 7,300**
 - Price per Square Foot (ft²): \$541
- **Total Buildable Square Footage – 17,630**
 - Air rights for 10,330 more gross ft² *

Price per buildable ft² :
\$224

*This is subject to current zoning and code requirements

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- **Current price per ft² on condos in Eastern East Village/Alphabet City**
 - Average: \$1,151
 - Range: \$810 - \$1,800 (highest & lowest excluded)
- **Estimated Costs per ft² (at full ask \$3,950,000 sale price, full buildable rights)**
 - \$224 (to buy) + \$400 (estimate to build) = \$624 per ft².
 - Total cost to entry: \$3,950,000 (to buy) + \$7,052,000 (build) = \$11,002,000
- **Potential Return on Investment**
 - At \$624 per ft² (Aggressive Cost)
 - Sold at \$850* per ft² = 36% ROI (17% each year)
 - Sold at \$1,200* per ft² = 92% ROI (38% each year)
 - At \$700 per ft² (Conservative Cost, 14% higher building cost, \$476/ ft²)
 - Sold at \$850* per ft² = 21.5% ROI (10.3% each year)
 - Sold at \$1,200* per ft² = 71.5% ROI (31% each year)

Low ROI** (after 2 years) = 21.5%, \$2,644,500 (profit)

Average ROI (after 2 years) = 57%, \$6,399,750 (profit)

High ROI (after 2 years) = 92%, \$10,154,000 (profit)

* These numbers reflect no change in the market, though popular sentiment is that 2 years from now the market will be higher than it is today and Alphabet City's value is expected to keep rising

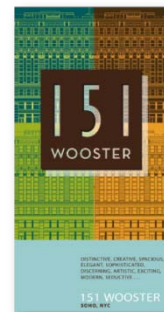
** ROI does not include cost of mortgage interest or closing costs

All numbers reflective of May 25th, 2010

Why Here? Why Now? Why The Blumstein Team?

- Alphabet City is one of the most recent areas in Manhattan to develop in one of the most desirable parts of town (East Village). Since the mid 1990's, Alphabet City has seen explosive growth in local services and rent. New developments and conversions are sprouting up from Houston north to East 14th.
- The market is currently near a low. Whether it is before or after the bottom is still in debate, but experts believe the market will be decidedly on the upswing by Spring 2011. 1st Quarter 2010 is already showing an uptick. With a project completion of 2 years out, this puts units on the market at a good time. Even at current market rates there is good opportunity for strong ROI.
- The Blumstein Team has a great track record of working with developers to help market their properties. As well, given the Blumstein's clout and experience they receive the full backing of Corcoran's development department, Corcoran Sunshine.
 - Recent Project include [311 East 11th](#) and [151 Wooster](#)

The Blumstein Team is consistently the #1 Salesteam in Corcoran's Village Office



The Blumstein Team part of Corcoran's President Council made up of Corcoran's top 25 agents

Next Steps?

- Contact the Blumstein team for a showing
 - Here is the current listing information: <http://bit.ly/dcjr1N>
- Contact your architect , engineer and contractor for consultation
- Confirm figures and adjust as necessary (we can help!)
- Realize a great return as you help develop an up and coming neighborhood!

THE BLUMSTEIN TEAM

- 2009 Members of the Corcoran President's Council -
- Top 100 Brokers as ranked by the Wall Street Journal -

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