

114 EAST 25TH ST

114 EAST 25TH STREET
NEUEHOUSE & 24-EXTENDED STAY RESIDENCES



MITCHELL HOLDINGS LLC

| July 16, 2014, Confidential

| 801 Madison Avenue, New York, NY 10065



EFTA01071800

Summary - 114 East 25th St

Description	
Property Name	114 East 25th St
Asset Type	Commercial
Market	New York, NY
Building Gross Sq. Ft.	49,383
Gross Extended-Stay Per Floor	3,354
Gross Extended-Stay	13,416
Number of Extended-Stay Units	24

INVESTMENT RESULTS	Levered
XIRR of Required Equity	37.42%
Net Profit	29,678,048
Equity	21,242,300
Multiple	2.40 x

USES	Amount	%	psf
Purchase Price	36,500,000	74.1%	739.12
Extended-Stay Units	3,354,000	6.8%	250.00
Base Building Costs	4,938,300	10.0%	100.00
Soft Costs	600,000	1.2%	12.15
(5%) Transaction Costs	1,400,000	2.8%	28.35
Interest Reserve	2,450,000	5.0%	49.61
Total Uses	49,242,300	100.0%	

SOURCES	Amount	%	psf
Acquisition Loan	28,000,000	56.9%	567.00
Equity	21,242,300	43.1%	430.15
Total Sources	49,242,300	100.0%	

ACQUISITION LOAN ASSUMPTIONS	LTC	psf
Loan Amount	28,000,000	56.9%
Closing Date	01-Aug-14	
I. Rate - Type	Fixed	
I/D - Period	21	
I/D - Rate	5.00%	
Planning Period	6 months	
Approval Period	3 months	
Buildout Period	12 months	
Operational Period	12 months	
Commercial Lease	5/1/16	

	Operational Yr	Investment Year Begins	8/1/14	8/1/15	5/1/16	Total
INCOME						
Development		Description				
Annual Rent Bumps	3.0%					
Neuehouse: Lower Level	50.00	0	0	99,525		99,525
Neuehouse: 1st Floor	150.00	0	0	773,100		773,100
Neuehouse: 2nd, 7th-12th Floor	70.00	0	0	1,643,460		1,643,460
Neuehouse: Roof	50.00	0	0	167,700		167,700
Subtotal of Neuehouse				2,683,785		2,683,785
Extended-Stay: 3rd-6th Floor (monthly rate)	10,000.00	0	0	2,880,000		2,880,000
Vacancy Rate	10.0%	0	0	-288,000		-288,000
Subtotal of Extended-Stay				2,592,000		2,592,000
Effective Gross Income		0	0	5,275,785		5,275,785
EXPENSES						
Operating Expenses of Extended-Stay Units	24					
\$75 per unit per day						
Daily Room Turn Over	45.00	0	0	-394,200		-394,200
FFBE Replacement	10.00	0	0	-87,600		-87,600
Utilities	5.00	0	0	-43,800		-43,800
Customer Acquisition	5.00	0	0	-43,800		-43,800
Operations	10.00	0	0	-87,600		-87,600
Subtotal of Extended-Stay Operating Expenses				-657,000		-657,000
Management Fees to Neuehouse	3.00%	0	0	-77,760		-77,760
Op. Expenses of Building (psf)	13.00	0	0	-641,979		-641,979
Total Expenses		0	0	-1,376,739		-1,376,739
Expense Margin	-26.10%					-26.10%
NET OPERATING INCOME		0	0	3,899,046		3,899,046
TOTAL FINANCING						
Acquisition Loan		28,000,000	0	0		28,000,000
Equity		21,242,300	0	0		21,242,300
Total Financing		49,242,300	0	0		49,242,300
TOTAL COSTS						
Purchase Price		-36,500,000	0	0		-36,500,000
Extended-Stay Units		-3,354,000	0	0		-3,354,000
Base Building Costs		-4,938,300	0	0		-4,938,300
Soft Costs		-600,000	0	0		-600,000
(5%) Transaction Costs		-1,400,000	0	0		-1,400,000
Total Costs		-46,792,300	0	0		-46,792,300
DEBT						
Principal Balance		-28,000,000	-28,000,000	0		0
Interest Reserve		-2,450,000	0	0		-2,450,000
Interest Pmts		0	0	-1,400,000		-1,400,000
Payoff		0	0	-28,000,000		-28,000,000
Ending Balance		-2,450,000	0	-29,400,000		-31,850,000
SALE OF BUILDING						
Sale of Building (5 cap)		0	0	77,980,920		77,980,920
Sale Closing Costs (2%)		0	0	-1,559,618		-1,559,618
Net Sale		0	0	76,421,302		76,421,302
Gross Profit		0	0	50,920,348		50,920,348
Return of Equity		0	0	-21,242,300		-21,242,300
Net Profit		0	0	29,678,048		29,678,048

Sensitivity Table					
	Vacancy Rate	XIRR	Net Profit	Multiple	
Current	0.0%	42.87%	35,432,864	2.67 x	
Vacancy Rate	2.5%	41.54%	33,994,160	2.60 x	
	10.0%	5.0%	40.19%	32,555,456	2.53 x
Toggle	7.5%	38.81%	31,116,752	2.46 x	
	10.0%	37.42%	29,678,048	2.40 x	
	2.5%	12.5%	35.99%	28,239,344	2.33 x
		15.0%	34.54%	26,800,640	2.26 x
		17.5%	33.06%	25,361,936	2.19 x
		20.0%	31.55%	23,923,232	2.13 x

Net Profit Vacancy Rate (vs.) Purchase Price				
Vacancy	Purchase Price	37,000,000	37,500,000	38,000,000
0.00%	36,500,000	34,932,864	34,932,864	34,932,864
2.50%	33,994,160	33,494,160	32,994,160	32,494,160
5.00%	32,555,456	32,055,456	31,555,456	31,055,456
7.50%	31,116,752	30,616,752	30,116,752	29,616,752
10.00%	29,678,048	29,178,048	28,678,048	28,178,048
12.50%	28,239,344	27,739,344	27,239,344	26,739,344
15.00%	26,800,640	26,300,640	25,800,640	25,300,640
17.50%	25,361,936	24,861,936	24,361,936	23,861,936
20.00%	23,923,232	23,423,232	22,923,232	22,423,232

Net Profit Vacancy Rate (vs.) Hard Costs of Extend Stay Units				
Vacancy	Hard Costs of Extended Stay Units	300.00	350.00	400.00
	250.00			
0.00%	35,432,864	34,762,064	34,091,264	33,420,464
2.50%	33,994,160	33,323,360	32,652,560	31,981,760
5.00%	32,555,456	31,884,656	31,213,856	30,543,056
7.50%	31,116,752	30,445,952	29,775,152	29,104,352
10.00%	29,678,048	29,007,248	28,336,448	27,665,648
12.50%	28,239,344	27,568,544	26,897,744	26,226,944
15.00%	26,800,640	26,129,840	25,459,040	24,788,240
17.50%	25,361,936	24,691,136	24,020,336	23,349,536
20.00%	23,923,232	23,252,432	22,581,632	21,910,832

Breakdown - 114 East 25th St

	Floor	Ceiling Height (to bottom of beam)	Ceiling Height (to slab)	Gross SF
Neuehouse	Basement	-	10' 3"	3,981
	Ground	18' 1"	20'	5,154
	Mezzanine	-	-	-
	2nd Floor	10' 2"	11' 8"	3,354
Extended-Stay	3rd Floor	9' 1"	10' 8"	3,354
	4th Floor	9' 1"	10' 8"	3,354
	5th Floor	9' 1"	10' 8"	3,354
	6th Floor	9' 1"	10' 8"	3,354
Neuehouse	7th Floor	9' 1"	10' 8"	3,354
	8th Floor	9' 1"	10' 8"	3,354
	9th Floor	9' 1"	10' 8"	3,354
	10th Floor	9' 1"	10' 8"	3,354
	11th Floor	9' 1"	10' 8"	3,354
	12th Floor	9' 1"	11' 7"	3,354
	Roof	9' 1"	11' 7"	3,354
				49,383