

OPPORTUNITY
TO INVEST
WHERE
THE ACTION IS
MELROSE SECTION OF
THE BRONX

AREA OF NEW POSSIBILITIES

BRONX NY 10451

\$1,300,000

6 TWO BEDROOMS
+1 COMMERCIAL

5.99% CAP RATE

10.53x RR

7.38% CASH RETURN

Quickly Unlock the Building's

TREMENDOUS UPSIDE

Presented Exclusively By
OMORRISON PROPERTIES

INVESTMENT OVERVIEW

For sale in the Melrose section of the Bronx is a mixed use building with 6 apartments and 1 commercial. The building is in a phenomenal location and provides an opportunity to quickly increase the rent roll.

CURRENT OPPORTUNITIES

- The building has 1 rent controlled tenant paying \$99. The tenant was admitted to a nursing home 4-6 months ago. She has no dependants or spouse. Owner will soon gain legal possession of the apartment. Opportunity to increase rent to \$1,200 - \$1,300. *This higher rent is not included in calculations*
- Tenants are paying a preferential rent and have expired leases. Opportunity to give tenants new leases at a higher rate.
- All the apartments are two bedroom railroad-style. Convert into nice 1 bedroom with office/den space to attract professional tenants.
 - Excluding the rent controlled apartment, the average rent in the building is **\$1100**. Depending on the quality of renovations, the new 1 bedrooms can be rented for \$1200 - \$1300.
- **2S** is currently vacant with a legal rent of \$1,265. Gut renovate this unit and increase the legal rent as close to free market status as possible.
- Store is supposed to contribute 10% to taxes. Landlord does not enforce this part of the lease.
 - *The store generates income equivalent to 4 apartments*

This deal requires an initial investment of **\$390k**. Once the rent controlled apartment is rented and the tenants are signed to new leases, the annual cash flow will increase to more than **\$41k**

FUTURE OPPORTUNITIES

- The backyard approximately measures 25 x 58 (1,450 sq ft). Due to the presence of a large rock, the backyard is not being used. In the future, it **might** be profitable to break down the rock, pave the backyard and provide an outdoor seating/event area for the commercial tenant. Utilizing this space could generate an additional **\$35k – 50k/year**
- + **MUCH MORE.....**

BUILDING DESCRIPTION

| | |
|--------------|---|
| BUILT SIZE | 25 x 69 |
| LOT SIZE | 25 x 127 |
| STORIES | 4 |
| APPROX SQ FT | 6,900 Residential: 5,660 Retail: 1,240 + Bsmt |
| AIR RIGHTS | 4,022 |
| UNITS | 6 Apts + 1 Commercial |
| YEAR BUILT | 1910 (Approx) |
| ZONING | C4-4 |
| LAYOUT | 6 (4 ROOMS) |

FEATURES

- NEW WEIL MCLAIN GAS BOILER 1 MONTH OLD
- NEW GAS WATER HEATERS (2) 1 MONTH OLD
- STORE WATER HEATER 1 YEAR OLD
- ROOF GOOD CONDITION
- LOCKED FRONT DOOR
- WORKING INTERCOM & BUZZER
- CIRCUIT BREAKERS THROUGHOUT BUILDING

FINANCIALS

| | |
|---------------------------------|----------------------|
| PURCHASE PRICE | \$ 1,300,000 |
| DOWN PAYMENT (30%) | \$ 390,000 |
| LOAN (70%) | \$ 910,000 |
| INTEREST RATE | 3.50% |
| AMORTIZATION (YEARS) | 30 |
| MONTHLY/ANNUAL MORTGAGE PAYMENT | \$ 4,086 / \$ 49,036 |
| MONTHLY/ANNUAL CASH FLOW | \$ 2,399 / \$28,784 |
| DEBT COVERAGE RATIO | 1.59 |
| RETURN ON CASH INVESTED | 7.38% |

| | |
|---------------------|------------|
| GRM | 10.53x |
| CAP RATE | 5.99% |
| PRICE/UNIT | \$ 185,714 |
| RENT/ROOM | \$ 235 |
| PRICE/SQ FT | \$ 188 |
| RENT/UNIT | \$ 941 |
| EXPENSE/ ADJ INCOME | 34% |

| | |
|------------------------------|-------------------|
| INCOME | |
| RESIDENTIAL | \$ 67,716 |
| RETAIL | \$ 52,416 |
| WATER REIMBURSEMENT | \$ 3,360 |
| TAX REIMBURSEMENT | \$ - |
| TOTAL GROSS | \$ 123,492 |
| VACANCY (5%) | \$ (6,175) |
| ADJUSTED GROSS INCOME | \$ 117,317 |

| | |
|-----------------------|--------------------|
| EXPENSES | |
| TAXES | \$ 10,597 |
| FUEL | \$ 9,100 |
| ELECTRIC | \$ 1,800 |
| REPAIRS | \$ 3,000 |
| INSURANCE | \$ 4,200 |
| WATER/SEWER | \$ 8,400 |
| SUPER | \$ 2,400 |
| TOTAL EXPENSES | \$ (39,497) |
| NOI | \$ 77,820 |

Let Us Do Business The Right Way!

FOR MORE INFORMATION CONTACT

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The information contained herein has either been given to us by the owner of the property or obtained from sources that we deem reliable. We have no reason to doubt its accuracy but we do not guarantee it. All zoning, buildable footages and uses must be independently verified. Vacancy factors used herein are an arbitrary percentage used only as an example. It does not necessarily relate to actual vacancy, if any. The value of this investment is dependent upon these estimates and assumptions made above, as well as the investment income, the tax bracket, and other factors which your tax advisor and/or legal counsel should evaluate. **THE PROSPECTIVE BUYER SHOULD CAREFULLY VERIFY EACH ITEM OF INCOME, AND ALL OTHER INFORMATION HEREIN.**