WESTROCK APPRAISAL

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MARKET VALUATION ANALYSIS

Appraisal Report

343 West 47th Street
New York, New York 10036

WESTROCK APPRAISAL SERVICES CORP.

PO Box 910, Tallman, NY 10982

973-937-8762 (973-WESTROCK)

845-356-6625

www.westrockappraisal.com

info@westrockappraisal.com

August 22, 2022

Re: Market Valuation Analysis
343 West 47th Street
New York, New York 10036

Dear Mr. Kerrigan:

This is an Appraisal Report that is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value may be presented in summary form. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's workfile. The depth of discussion contained in this report is specific to the intended user(s) and use(s) identified within this report. This report is for the exclusive use of the specified intended user(s). The appraiser is not responsible for unauthorized use of this report.

The undersigned has either personally inspected and/or analyzed the above-captioned property for the purpose of forming an opinion of the "as is" and "as completed/stabilized" market value of the Fee Simple Interest in the subject (land and improvements). **We note that as detailed below and elsewhere in this report, this valuation is subject to one or more extraordinary assumptions.** The subject is identified as 343 West 47th Street, which is located along the north side of West 47th Street, between 8th Avenue and 9th Avenue in the Borough of Manhattan, City and State of New York. The subject property consists of a vacant four-story 5,272 square foot four-family dwelling pending gut renovation and expansion into a six-story plus cellar, 9,800 square foot elevator multi-family condominium building which will contain six residential units with a total of 27 rooms. As of the date of valuation, the property was vacant, pending gut renovation, expansion and occupancy. Total projected building area is approximately 9,800 square feet and the site has a total area of 2,526± square feet. The property is zoned R8 (residential) and is within the Clinton Special District.

As the subject's apartments are fully exempt from rent regulation, they are eligible to rent at market rates. In addition, the building superintendent resides offsite.

As symbolized by vacant industrial structures and office buildings, empty shopping malls, and abandoned apartments, in many metropolitan areas, the coronavirus (COVID-19) has severely impacted real estate markets. Indeed, while COVID-19 continues its negative effects, upon such real estate markets, it has provided significant opportunities for informed investors and developers. Many scientific papers and academic insights (with statistical correlations) have been published, relating to when real estate market conditions will stabilize, in light of the possibility of future COVID-19 waves, particularly from variants such as the "Delta variant". No favorable or adverse conditions have been

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applied to the instant valuation. WestRock's appraisers, (i) urge investors to consider possible links between and among real estate markets, the macroeconomy and the various financial markets, and (ii) caution lenders to consider loan to value ratios which reflect the perceived risk of the lending decision.

The subject property currently consists of a vacant four-story 5,272 square foot four-family dwelling pending gut renovation and expansion into a six-story plus cellar, 9,800 square foot elevator multi-family condominium building which will contain six residential units. The total projected construction cost is reported to be approximately $6,650,755.60 ($679 per square foot) with approximately $500,000 ($51 per square foot) having been spent and approximately $6,150,755.60 (approximately $628 per square foot) remaining to be spent. Consequently, this appraisal analysis reflects the subject's prospective "as-is" and "as-completed/stabilized" value considerations. We note that the subject's as-is market value is to be predicated upon an extraction valuation method whereby the subject's as-is value is estimated by calculating the value of the completed renovation minus the costs of renovation (including profit) and entrepreneurial incentive. Additionally, the appraisers note that the blueprints provided by ownership, and which forms the basis of this appraisal, have not yet been submitted to the Department of Buildings and have therefore not been approved. We strongly urge the client to obtain all applicable work permits, variances, approved plans, blueprints/schematics, etc. prior to rendering a final loan decision. This report is therefore predicated on the assumption that the subject's plans will ultimately be approved and will conform to the zoning requirements within the subject's zone. The prospective values within this report are based on the extraordinary assumption that 1) the proposed construction of the subject's improvements will be completed as of the anticipated date of completion and will conform to the proposed job description, budget and blueprints submitted to us by the developer; 2) the developer will obtain all requisite work permits and will complete the required construction in a workmanlike manner within approximately 12 months of the date of inspection and will obtain a Permanent Certificate of Occupancy within a reasonable time horizon; and 3) subsequent to the completed construction, the subject property will be in good condition. We anticipate that lease-up and/or sales of the subject's units will occur during the construction period. Consequently the prospective as completed/stabilized valuation date is July 14, 2023. Should any material change occur which runs contrary to the information provided to the appraiser, which forms the basis of this appraisal, the appraisers reserve the right to modify our estimate of market value accordingly. These extraordinary assumptions may have affected the assignment results.

The attached appraisal report outlines the various methods and procedures of valuation. Based upon a physical inspection of the subject property and its surrounding neighborhood, our analysis of pertinent market information, and reviews of both public and private records, our value conclusions for the subject are as follows:

Valuation Premise/Type	Interest Appraised	Effective Date of Value	Value Conclusion
As Is	Fee Simple	July 14, 2022	**$8,625,000**
As Completed/Stabilized	Fee Simple	July 14, 2023	**$16,325,000**

The preceding value conclusions are based upon our analysis of the information contained in this appraisal report, subject to the Limiting Conditions and Certifications set forth herein.

Based on recent activity within the subject's market, we estimate that the typical exposure period of a multi-family condominium building is approximately 9-12 months to time of sale. A similar marketing period is anticipated based on current market conditions.

Kindly let us know whether you have any questions or comments on the conclusions of the appraisal report. Additionally, from your own understanding of this information and your knowledge of current market activity, we expect that you will advise us of any discrepancies in factual information presented in the report.

The reported analyses, opinions, and conclusions comply with the Comptroller of Currency appraisal standards as delineated by ruling 12U.S.C.93a. This appraisal has been prepared in conformance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and the Interagency Appraisal and Evaluation Guidelines dated December 2010.

Respectfully submitted,
WESTROCK APPRAISAL SERVICES

S. Romer
____

STEVEN R. ROMER, MAI, President
NY Certified General R.E. Appraiser
I.D. No. 46000000719

Appraisal Institute
MAI

TABLE OF CONTENTS


3 hour metered parking
COMMERCIAL VEHICLES ONLY
Monday - Friday
7am - 6pm
6 hour metered parking
Monday - Friday
6pm - Midnight
Saturday
8am - Midnight
Work in Progress: Residential
DANGER

Limiting Conditions

1. No survey of the property has been made by the appraiser(s) and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.

2. No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be insurable.

3. Information furnished by others is assumed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser(s).

4. All mortgages, liens, encumbrances, leases, and servitude have been disregarded unless so specified within this report. This property is appraised as though under responsible ownership and competent management.

5. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them. The appraiser is not a building inspector; any inspections performed include only basic visual observations of accessible areas. As such, the appraisal report cannot be relied upon to disclose conditions and/or defects in the property.

6. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless a non-conformity has been stated, defined and considered in this appraisal report.

7. It is assumed that all applicable use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in this appraisal report.

8. It is assumed that all required licenses, consent, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been, or can be, obtained or renewed for any use on which the value opinion contained in this report is based.

9. It is assumed that the utilization of the land and improvements are within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within the appraisal report.

10. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material contained in this report, it is recommended that the reader contact the undersigned.

11. It is assumed that all of the necessary and required permits and licenses are in full force and effect.

12. It is assumed that an approved survey can be obtained, conforming to the sketches and estimates as represented in this report.

13. It is assumed that the subject property's income and expense information as furnished to the appraisers is accurate.

14. The total site area of 2,526± square feet represents an estimate that is based on an examination of the City of New York tax assessor's records as well as my own measurements.

15. The projected building area of 9,800± square feet (inclusive of any common areas as relevant) represents an estimate that is based on an examination of the City of New York tax assessor's records as well as my own measurements.

16. This appraisal report represents a synopsis of the findings of the data-gathering process and the appropriate appraisal analysis. All input data would have been too voluminous to include in this report. The exclusion of same does not preclude the appraiser(s) from referring to this data at a future date. If the occasion arises, the appraiser(s) reserves the right to refer to any of the source material used in the preparation of this appraisal to further clarify any item contained in this report.

17. This appraisal report is meant to be presented in its entirety. If this report is represented in any form other than its complete form, it becomes invalid.

18. This information and conclusions contained within this report are for the exclusive use of the identified intended user(s), for the intended use(s) specified. The appraiser is not responsible for unauthorized use of this report.

19. To the best of my knowledge and belief, the statements of fact contained in this appraisal report upon which the analyses, opinions and conclusions are based, are true and correct, subject to the statement of Assumptions and Limiting Conditions herein set forth.

20. Estimates, projections, and opinions (including any prospective value opinions) as utilized in this report may be based on certain assumptions concerning future events and circumstances. These estimates, projections, and opinions may be affected by unforeseen events that alter market conditions. These phenomena may be local, national, or international in scope. It must be understood that actual results achieved during projection periods may vary from those indicated and the variations could be material. The appraiser(s) cannot be held responsible for unforeseeable events that alter market conditions in an unexpected manner.

21. Except where otherwise indicated, all numerical adjustments applied to comparable sales, rentals, and other such information are intended to be approximations. Extracting market-derived adjustment factors for most property types and markets is often impractical due to the limited quantity and quality of this data. Consequently, adjustments presented herein must be construed as the appraisers' approximations of the relative differences between the subject property and comparables, based on available market information, experience, and judgment.

22. It is assumed that any forecasted income and operating expense estimates provided by the subject's ownership, are based, in part, upon reported lease agreements and expenditures, in addition to projections based upon local conditions obtained through contractors, vendors, and others commonly involved in multi-family condominium building operations.

23. Demographic and economic projections used herein may be based in whole or in part on information obtained from outside sources. The undersigned takes no responsibility for the accuracy of this information although a reasonable attempt has been made to verify the presented demographic data.

24. Unless agreements have been made previously, the appraisers will not be required to give testimony or appear in court as a result of having made this appraisal with reference to the

property in question. Additionally, this appraisal report was not prepared for court submission purposes.

25. Possession of this appraisal report, or a copy thereof, does not carry with it the right of publication. This appraisal may not be used for any other purpose or any person other than the party to whom it is addressed without the written consent of the appraisers and, in any event, only with properly written qualifications and in its entirety.

26. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

27. Reliable electronic spreadsheet software (Microsoft® Excel) has been utilized for the quantitative analyses pertaining to this appraisal. Due to computerized rounding and report presentation requirements, certain figures and results may appear nominally above or below those expected. For example, $1.5530 + $2.1230 = $3.676 would be presented as $1.55 + $2.12 = $3.68, which at face value appears to be off by a cent. This is due to the fact that dollar amounts are rounded to the nearest cent or dollar in this report, while a greater degree of accuracy is utilized for actual calculations.

28. The distribution, if any, of the total valuation in this report, between land and improvements, applies only under the existing utilization. The separate valuation for land and improvements, if applicable, must not be used in conjunction with any other appraisal and are invalid if so used.

29. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost to cure the property's potential physical characteristics, the real estate appraisers cannot comment on compliance to ADA. A description of the physical aspects of the subject property may be included in this report. It in no way suggests ADA compliance by the current ownership. Given the compliance can change with each owner's financial ability to cure non-accessibility, the valuation of the subject does not consider possible non-compliance. Specific study of both owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

30. This report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's workfile.

31. As symbolized by vacant industrial structures and office buildings, empty shopping malls, and abandoned apartments, in many metropolitan areas, the coronavirus (COVID-19) has severely impacted real estate markets. Indeed, while COVID-19 continues its negative effects, upon such real estate markets, it has provided significant opportunities for informed investors and

developers. Many scientific papers and academic insights (with statistical correlations) have been published, relating to when real estate market conditions will stabilize, in light of the possibility of future COVID-19 waves, particularly from variants such as the "Delta variant". No favorable or adverse conditions have been applied to the instant valuation. WestRock's appraisers, (i) urge investors to consider possible links between and among real estate markets, the macroeconomy and the various financial markets, and (ii) caution lenders to consider loan to value ratios which reflect the perceived risk of the lending decision.

32. **The subject property currently consists of a vacant four-story 5,272 square foot four-family dwelling pending gut renovation and expansion into a six-story plus cellar, 9,800 square foot elevator multi-family condominium building which will contain six residential units. The total projected construction cost is reported to be approximately $6,650,755.60 ($679 per square foot) with approximately $500,000 ($51 per square foot) having been spent and approximately $6,150,755.60 (approximately $628 per square foot) remaining to be spent. Consequently, this appraisal analysis reflects the subject's prospective "as-is" and "as-completed/stabilized" value considerations. We note that the subject's as-is market value is to be predicated upon an extraction valuation method whereby the subject's as-is value is estimated by calculating the value of the completed renovation minus the costs of renovation (including profit) and entrepreneurial incentive. Additionally, the appraisers note that the blueprints provided by ownership, and which forms the basis of this appraisal, have not yet been submitted to the Department of Buildings and have therefore not been approved. We strongly urge the client to obtain all applicable work permits, variances, approved plans, blueprints/schematics, etc. prior to rendering a final loan decision. This report is therefore predicated on the assumption that the subject's plans will ultimately be approved and will conform to the zoning requirements within the subject's zone. The prospective values within this report are based on the extraordinary assumption that 1) the proposed construction of the subject's improvements will be completed as of the anticipated date of completion and will conform to the proposed job description, budget and blueprints submitted to us by the developer; 2) the developer will obtain all requisite work permits and will complete the required construction in a workmanlike manner within approximately 12 months of the date of inspection and will obtain a Permanent Certificate of Occupancy within a reasonable time horizon; and 3) subsequent to the completed construction, the subject property will be in good condition. We anticipate that lease-up and/or sales of the subject's units will occur during the construction period. Consequently the prospective as completed/stabilized valuation date is July 14, 2023. Should any material change occur which runs contrary to the information provided to the appraiser, which forms the basis of this appraisal, the appraisers reserve the right to modify our estimate of market value accordingly. These extraordinary assumptions may have affected the assignment results.**

33. This appraisal does not involve any hypothetical conditions.

Certifications and General Assumptions

I hereby certify that, except as otherwise noted in this appraisal report:

1. The statements of fact contained in this appraisal report are true and correct. The effective date of valuation is July 14, 2022, which was also the date of inspection.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP).
8. I have experience in the appraisal of properties similar to the subject and am in compliance with the Competency Rule of USPAP.
9. I have not provided appraisal services relating to the subject property in the past 36 months.
10. Joseph Lifschitz (Real Estate Appraiser Assistant) provided significant real property appraisal assistance to the person(s) signing this certification. Specifically, he verified the comparable sales data and assisted in the overall analysis of the appraisal. Significant assistance was also provided by Yonasan LeVenthal, who researched comparable rental data, cap rates, and economic data as well as Nelkin Ramirez who inspected the subject property. No one else provided significant real property appraisal assistance to the person(s) signing this certification.
11. Nelkin Ramirez has made a personal (interior/exterior) inspection of the property that is the subject of this appraisal report, 343 West 47th Street, New York, New York. Steven Romer, MAI did not make a personal inspection of the appraised property and has therefore relied on the photographs and reportings provided by Mr. Nelkin Ramirez as well as property records and other information deemed reliable.
12. As of the date of this report, Steven Romer, MAI, has completed the requirements under the continuing education program of the Appraisal Institute.
13. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of

Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

14. The reported analyses, opinions, and conclusions comply with the Comptroller of Currency appraisal standards as delineated by ruling 12U.S.C.93a. This appraisal has been prepared in conformance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation, and the Interagency Appraisal and Evaluation Guidelines dated December 2010.

15. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

16. The value conclusion(s) as well as other opinions expressed herein are not based on a requested minimum value, a specific value or approval of a loan.

17. The appraiser(s) will maintain the confidentiality and privacy of customer information obtained in the course of the appraisal assignment.

18. The undersigned accepts full responsibility for the contents, analysis, and appraisal conclusions of all parties who have contributed to this appraisal report.

19. Any inquiry from the client's loan production staff during the appraisal process will result in both the appraiser directing said inquiry to the applicable client appraiser, or their designee, and a reporting of said inquiry to the client appraiser/appointee.

20. The appraiser(s) will provide full cooperation in the review process when contacted by any administrative and/or technical review representative.

21. This report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's workfile. The information contained in this report is specific to the needs of the client, for the intended use(s) stated in this report and no others. The appraiser is not responsible for unauthorized use of this report.

22. **As symbolized by vacant industrial structures and office buildings, empty shopping malls, and abandoned apartments, in many metropolitan areas, the coronavirus (COVID-19) has severely impacted real estate markets. Indeed, while COVID-19 continues its negative effects, upon such real estate markets, it has provided significant opportunities for informed investors and developers. Many scientific papers and academic insights (with statistical correlations) have been published, relating to when real estate market conditions will stabilize, in light of the possibility of future COVID-19 waves, particularly from variants such as the "Delta variant". No favorable or adverse conditions have been applied to the instant valuation. WestRock's appraisers, (i) urge investors to consider possible links between and among real estate markets, the macroeconomy and the various financial markets, and (ii) caution lenders to consider loan to value ratios which reflect the perceived risk of the lending decision.**

23. **The subject property currently consists of a vacant four-story 5,272 square foot four-family dwelling pending gut renovation and expansion into a six-story plus cellar, 9,800 square foot**

elevator multi-family condominium building which will contain six residential units. The total projected construction cost is reported to be approximately $6,650,755.60 ($679 per square foot) with approximately $500,000 ($51 per square foot) having been spent and approximately $6,150,755.60 (approximately $628 per square foot) remaining to be spent. Consequently, this appraisal analysis reflects the subject's prospective "as-is" and "as-completed/stabilized" value considerations. We note that the subject's as-is market value is to be predicated upon an extraction valuation method whereby the subject's as-is value is estimated by calculating the value of the completed renovation minus the costs of renovation (including profit) and entrepreneurial incentive. Additionally, the appraisers note that the blueprints provided by ownership, and which forms the basis of this appraisal, have not yet been submitted to the Department of Buildings and have therefore not been approved. We strongly urge the client to obtain all applicable work permits, variances, approved plans, blueprints/schematics, etc. prior to rendering a final loan decision. This report is therefore predicated on the assumption that the subject's plans will ultimately be approved and will conform to the zoning requirements within the subject's zone. The prospective values within this report are based on the extraordinary assumption that 1) the proposed construction of the subject's improvements will be completed as of the anticipated date of completion and will conform to the proposed job description, budget and blueprints submitted to us by the developer; 2) the developer will obtain all requisite work permits and will complete the required construction in a workmanlike manner within approximately 12 months of the date of inspection and will obtain a Permanent Certificate of Occupancy within a reasonable time horizon; and 3) subsequent to the completed construction, the subject property will be in good condition. We anticipate that lease-up and/or sales of the subject's units will occur during the construction period. Consequently the prospective as completed/stabilized valuation date is July 14, 2023. Should any material change occur which runs contrary to the information provided to the appraiser, which forms the basis of this appraisal, the appraisers reserve the right to modify our estimate of market value accordingly. These extraordinary assumptions may have affected the assignment results.

24. This appraisal does not involve any hypothetical conditions.

25. As a result of my examination, investigation, and analysis of the subject property and all of the data pertinent thereto, and in light of my experience as a real estate appraiser, my value conclusions for the subject property are as follows:

Valuation Premise/Type	Interest Appraised	Effective Date of Value	Value Conclusion
As Is	Fee Simple	July 14, 2022	**$8,625,000**
As Completed/Stabilized	Fee Simple	July 14, 2023	**$16,325,000**

STEVEN R. ROMER, MAI
NY Certified General R.E. Appraiser
I.D. No. 46000000719

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

BASIC INFORMATION

Property Description:	6-Story Elevator Multi-Family Condominium Building	**Report Type:**	Appraisal Report
Address:	343 West 47th Street	**Date of Value:**	7/14/2022
City:	New York	**Date of Inspection:**	7/14/2022
State:	New York	**Date of Report:**	8/22/2022
ZIP Code:	10036	**Census Tract Number:**	0127.00
County:	New York	**Census MSA:**	
Property Ownership Entity:	Midtown West 47 St LLC	New York-Northern New Jersey-Long Island, NY-NJ-PA Metro Statistical Area (#35620)	
Interest Appraised:	Fee Simple	New York-White Plains-Wayne, NY-NJ Metro Division (#35644)	

SITE INFORMATION

Land Area:	2,526± square feet	**Site Shape:**	Rectangular
Dimensions:	25' frontage, 100' maximum depth	**Frontage Rating:**	Good
Flood Zone:	X	**Access Rating:**	Good
Flood Map Number:	3604970088F	**Visibility Rating:**	Good
Flood Map Date:	9/5/2007	**Location Rating:**	Good
Site Utility:	Good	**Parking Type:**	No on-site parking provided
Site Topography:	Level with street grade		

BUILDING INFORMATION

Type of Property:	Multi-Family Condominium Building	**Actual Age:**	102 Years
Number of Units:	6	**Quality:**	Good
Number of Buildings:	1	**Condition:**	good
GBA:	9,800± square feet	**Year Built:**	1920
Number of Stories:	6	**Year Renovated:**	2022
Occupied Exempt Units:	0 (0.0% of revenue units)	**Land to Building Ratio:**	0.26:1
Occupied Rent-Regulated Units:	0 (0.0% of revenue units)	**Building Employees:**	1
Vacant Units:	6 (100.0% of revenue units)		1 (6 units per employee)

MUNICIPAL INFORMATION

Assessing Authority:	City of New York	**Municipality Governing Zoning:**	City of New York
Assessor's Parcel Identification:	Block 1038 Lot 11	**Current Zoning:**	R8
Current Tax Year:	2022/2023	**Special Zoning District:**	Clinton Special District
Taxable Assessment:	$668,327	**Zoning Max FAR / Subject FAR:**	.94-6.02 / 3.88
Current Tax Liability:	$81,770	**Is Current Use Permitted:**	Yes
Taxes Per SF:	$8.34	**Current Use Compliance:**	Legal, conforming, complying use
		Landmark:	Subject does not have landmark status

HIGHEST & BEST USE

As Vacant:	**As Improved:**
Development of a multi-family condominium building as per zoning regulations	Substantially modify and expand the existing 4-family dwelling to a 6-unit multifamily condominium building

VALUATION CONCLUSIONS	Value As Compl. & Stab.	Value As Is
Assuming the aforementioned extraordinary assumption(s)		
SALES COMPARISON APPROACH		
Indicated Value:	$16,325,000	$8,625,000
Per Square Foot:	$1,666	$880
Per Unit:	$2,720,833	$1,437,500
INCOME CAPITALIZATION APPROACH		
Indicated Value:	$10,775,000	$3,100,000
Per Square Foot:	$1,099	$316
Per Unit:	$1,795,833	$516,667
COST APPROACH		
Indicated Value:	N/A	N/A
Per Square Foot:	N/A	N/A
Per Unit:	N/A	N/A

VALUE CONCLUSIONS	Value	Interest	Date
As Is	**$8,625,000**	Fee Simple	7/14/2022
As Completed/Stabilized	**$16,325,000**	Fee Simple	7/14/2023

EXPOSURE / MARKETING PERIOD		
Exposure Time:	9-12 Months	9-12 Months
Marketing Time:	9-12 Months	9-12 Months

NATURE OF THE ASSIGNMENT

STATEMENT OF OBJECTIVE:

The objective of this appraisal assignment was to undertake the investigations and analyses required to reach a supportable opinion of the "as is" and "as completed/stabilized" market value(s) for the subject property, as of July 14, 2022, the date of valuation. The intended use of this appraisal report is to provide information to the client and intended user, Sharestates, Inc., for loan underwriting/mortgage financing purposes exclusively.

DEFINITION OF MARKET VALUE:

Market value is defined in the Appraisal Institute's Dictionary of Real Estate (4th ed., 2002) as:

The most probable price which a property would bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of the sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. *Buyer and seller are typically motivated;*

2. *Both parties are well informed or well advised, and acting in what they consider their best interests;*

3. *A reasonable time is allowed for exposure in the open market;*

4. *Payment is made in terms of cash and U.S. dollars or in terms of financial arrangements comparable thereto; and*

5. *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

SCOPE OF THE APPRAISAL PROCESS:

We have prepared an independent and impartial appraisal of the property in conformance with the requirements of the USPAP. This appraisal employs all approaches considered meaningful and relevant in the context of the valuation assignment.

As part of this appraisal, a number of independent investigations and analyses were required. The appraisal process performed included the following tasks:

Appraisal Process

- Identified the real estate being appraised
- Identified the real property interest being appraised
- Ascertained the purpose and intended use of the appraisal
- Stated and defined market value
- Inspected the property, and specified the effective date of the appraisal and the date of this report
- Determined the highest and best use of the subject property
- Researched comparable market rentals and sales in relation to the subject property
- Analyzed pertinent market information in order to value the subject property via the selected approaches
- Arrived at market value indications from each selected approach, and reconciled to a final market value opinion
- Set forth all assumptions and limiting conditions that affect the analyses, opinions and conclusions
- Provided a signed certification in accordance with Standards Rule 2-3

PROPERTY RIGHTS APPRAISED

The value concluded herein reflects the Fee Simple Estate. According to the Appraisal Institute, the Fee Simple Estate is defined as “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

SUBJECT PROPERTY SALES HISTORY:

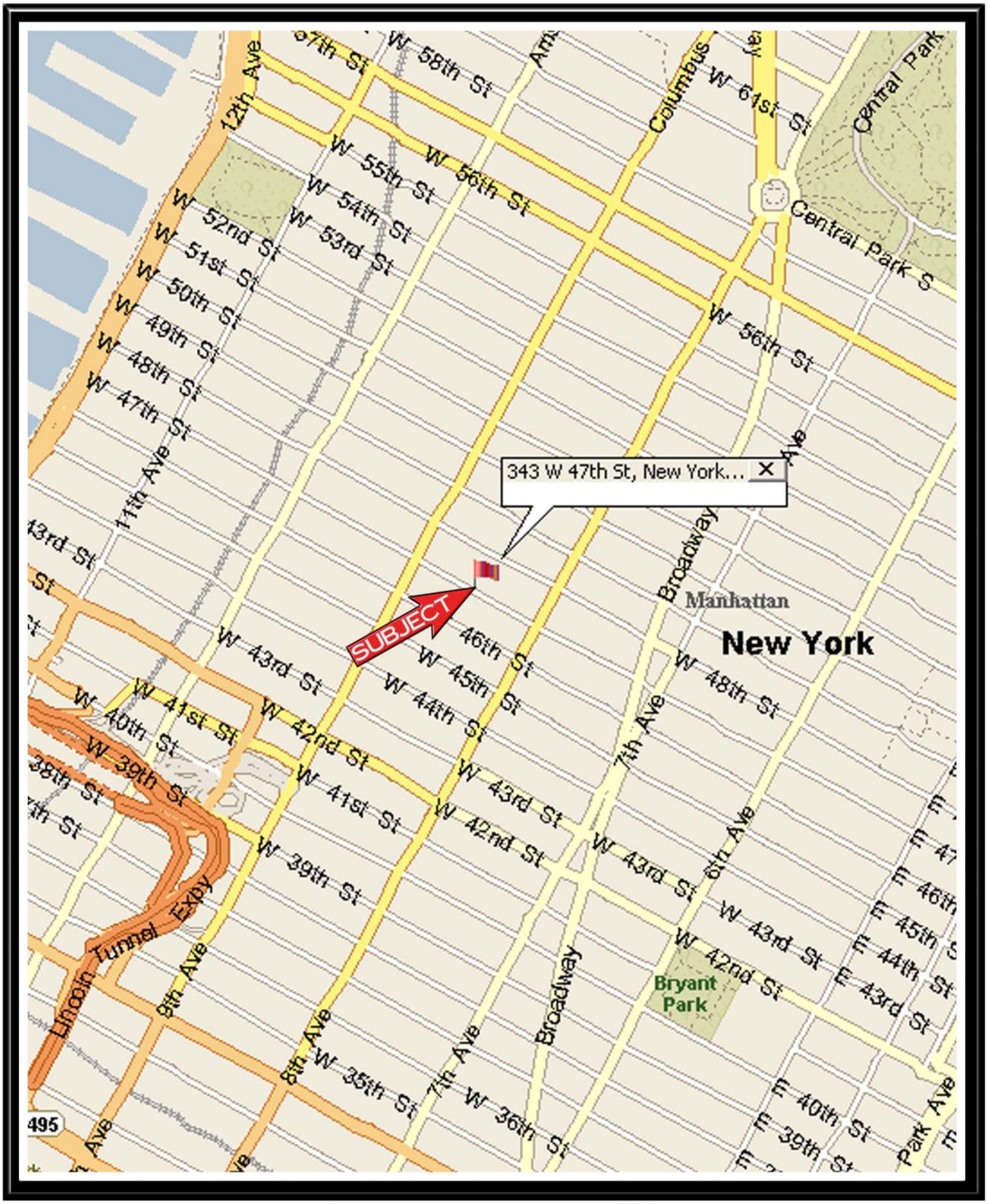
As of the date of valuation, the subject was owned by Midtown West 47 St LLC. The subject property has been under the current ownership for in excess of three years.

To the appraiser’s knowledge, the subject property is not currently for sale, or under contract for sale or option to purchase.

AREA DESCRIPTION


343 W 47th St, New York...
SUBJECT
Stony Point
WESTCHESTER
Lewisboro
Mount Kisco
Bedford
Wilton
Croton-On-Hudson
Ossining
New City
ROCKLAND
Pleasantville
Thornwood
New Canaan
Ringwood
Bearfort Mountain
Monsey
Spring Valley
Sleepy Hollow
Darien
PASSAIC
Ramapo
Ramsey
Pearl River
Hudson
White Plains
Greenwich
Stamford
Wanaque
Franklin Lakes
Park Ridge
Lake Tappan
Hartsdale
Rye Brook
Port Chester
Oakland
BERGEN
Palisades
Scarsdale
Bloomingdale
Rye
Ridgewood
Closter
Harrison
Wayne
Fair Lawn
Dumont
Yonkers
Mamaroneck
Lincoln Park
Paramus
New Rochelle
Bayville
West Paterson
Paterson
Englewood
Beaver Lake
Boonton Reservoir
Clifton
Garfield
Glen Cove
Parsippany-Troy Hills
Passaic
Fort Lee
Port
ESSEX
Nutley
Huntington
Montclair
Cliffside Park
Manhasset
Livingston
West Orange
Island
NASSAU
HUDSON
Garden City Park
Hicksville
Summit
Irvington
Newark
QUEENS
Uniondale
Union
Jersey City
Elmont
East Meadow
Atlantic Ave
Bayonne
Rockville Centre
Merrick
UNION
Elizabeth
Baldwin
Bellmore
Scotch Plains
Clark
KINGS
Oceanside
Plainfield
Rahway
Gateway N.R.A.
Carteret
RICHMOND
Belt Pkwy
Long Beach
South Plainfield
Iselin
Staten Island
Edison
Fords
Perth Amboy
The Narrows
South Amboy
Sayreville
Lower New York Bay
South River
MIDDLESEX
Madison Park
Keyport
Matawan
East Brunswick
Strathmore
Rumson
Old Bridge
Red Bank
Holmdel
Robertsville
Little Silver

AREA MAP


343 W 47th St, New York...
SUBJECT
Manhattan
New York
Bryant Park
Central Park S
Lincoln Tunnel Expy
Broadway
Columbus
12th Ave
11th Ave
9th Ave
8th Ave
7th Ave
6th Ave
Park Ave
W 58th St
W 56th St
W 55th St
W 54th St
W 53rd St
W 52nd St
W 51st St
W 50th St
W 49th St
W 48th St
W 47th St
46th St
W 45th St
W 44th St
W 43rd St
W 42nd St
W 41st St
W 40th St
W 39th St
W 36th St
W 35th St
495

LOCATION

National Economic & Real Estate Overview

The commercial real estate market is not like the stock market; there usually are no huge swings from day to day. We, at WestRock, have reached out to various real estate organizations, and there is unanimity that, as a result of the coronavirus ("COVID-19") outbreak, spread, horrendous death toll, and rising unemployment, we are in a period of unmatched uncertainty. While it is impossible to predict or quantify the exact impact on the economy and on market conditions, there will be an adverse effect on a global basis.

CCIM Institute for Commercial Real Estate has concluded that "while the full effects of the virus remain to be seen, commercial real estate professionals need to be prepared for what could be a challenging time." The National Association of Realtors stated, "COVID-19 and its long reaching effects continue to change the way we conduct our everyday business, and commercial real estate practitioners continue to adapt to these changes on a daily basis." "We’ve seen that investor confidence has been shaken," said Sam Chandan, associate dean of New York University’s Schack Institute of Real Estate.

The multifamily sector could see significant upheavals as unemployment rises and vacancies increase. Businesses that are closed employ people who now will struggle to pay rent. It is a similar situation to retail, where dine-in restaurants, for example, could remain closed for the foreseeable future, only in this case the tenant is an individual or family who lost its source of income. Moody’s Analytics’ “protracted slump scenario”, would create the same amount of contraction and disruption of commercial real estate, as the Great Recession.

The office leasing market is likely to suffer in the short-term due to COVID-19 as layoffs diminish tenants’ overall need for space and, in many cases, set aside expansion plans. In addition, prospective tenants who remain in the market for additional space, will have a difficult time touring properties. Office workers’ pushback against the open office environment is likely to accelerate, as illness is more easily transmitted in an open environment. Many employers already had recognized that in a competition to attract and retain top talent, squeezing workers into increasingly tight spaces was not a sustainable strategy. Now, an emphasis on social distancing and good health practices – continuing in some fashion even after the crisis has passed – may reverse the densification trend, with less shared space and fewer workers per leased square foot.

Homebuilders are feeling not only the demand pullback from home shoppers staying home in droves, but also the supply impact of materials that they normally import from China (supplying more than 30% of the materials). In a new survey by the National Association of Home Builders, 81% of respondents said the coronavirus has had an adverse effect on traffic of prospective home buyers, and it is probably closer to 100% at this time. Another 54% reported issues getting the building materials they need to finish homes. Builders are reporting a large drop in sales now. There is also growing concern about tighter lending conditions for non-conforming mortgage loans. Buyers who have debt-to-income ratios higher than 43%-45% or those who are self-employed, are now having significant difficulty with obtaining mortgages. With all of this going on, builders are predicting that land acquisition and development spending will decline.

While the longer-term consequences are more difficult to predict, the immediate market consequences of COVID-19 have been made clear – the public market sell-off in certain real estate types has been nothing short of dramatic. All companies, public and private, are working hard to navigate the immediate crisis with respect to staff, tenants, and end users of space, while also facing tough business trade-offs. Most industry leaders seek to strike the right balance between capital preservation and further strengthening their competitive differentiation.

There can be no question that the highly uncertain economic backdrop makes any appraisal of real estate, particularly commercial properties, more difficult than usual. In many ways, the current state of the economy is virtually unprecedented and, as such, is difficult to predict what the future holds based on historical information alone. We have been mindful of these and other relevant issues throughout our appraisal of the subject property. However, it must be noted that with the Coronavirus outbreak and spread, and with the present declaration of a National Emergency, it is impossible to predict the scope of impact on market conditions.

Unemployment

As of June 2022, the national unemployment rate as estimated by the U.S. Bureau of Labor Statistics was 3.6%; the New York County unemployment rate was higher at 4.4% as of May 2022.

Federal Reserve Board Beige Book Economic Conditions Summary

An economic conditions report, commonly known as the Beige Book, is published by the Federal Reserve Board eight times per year. Each Federal Reserve Bank gathers anecdotal information on current economic conditions in its District through reports from Bank and Branch directors and interviews with key business contacts, economists, market experts, and other sources. The Beige Book summarizes this information by District and sector. Below we present the April 2022 report for the New York District.

Summary of Economic Activity

Economic growth in the Second District picked up to a moderate pace in recent weeks. Businesses continued to report substantial escalation in selling prices, input prices, and wages, and many noted difficulties obtaining necessary supplies. The job market has remained exceptionally tight, with businesses continuing to add staff amidst high turnover. Consumer spending picked up somewhat in recent weeks, though auto dealers noted that ongoing shortages of vehicles continued to restrain sales. There was also a pickup in tourism and manufacturing activity. The home sales and rental markets strengthened further in March, while commercial real estate markets were steady to stronger. Commercial construction activity remained depressed, while multifamily residential construction continued at a moderate pace. Regional banks reported a decline in household delinquency rates. With growing concern about supply disruptions, worker shortages, and the war in Ukraine, business contacts across the District—especially those in manufacturing, distribution, and construction—have become less optimistic about the near-term outlook.

Labor Markets

Despite ongoing worker shortages, businesses continued to report moderate job growth. Staffing agencies have seen an ongoing abundance of job openings across a wide range of industries and occupations. Business contacts have noted particularly severe shortages of truck drivers, construction workers, IT staff, and human resource professionals. Restaurants have had trouble maintaining adequate staff. Some businesses say they have grown less picky about required qualifications for open jobs and have become more flexible about remote work arrangements. Businesses in most major industries expect to expand their workforces in the months ahead.

Contacts in all sectors continued to indicate that they were raising wages and anticipated further increases in the months ahead. Some contacts observed that workers in high-demand occupations have seen outsized pay increases when changing jobs. With increasing focus on worker retention, some businesses noted that they have raised wages by 20 percent or more over the past year.

Prices

Most business contacts noted ongoing escalation in input prices for a wide range of supplies. In particular, costs for both energy and freight (ground and ocean) were widely cited to be high and increasing. Contacts in all major industry sectors expect input prices to rise further in the months ahead.

A large and growing proportion of businesses report that they have raised selling prices, most notably in the manufacturing, wholesale & retail trade, transportation, and construction sectors. Some businesses have reportedly grown more optimistic about their business prospects after raising prices and seeing them stick. One retail chain noted that it has been able to raise prices on fashion merchandise but less so on more everyday offerings. A large and growing share of businesses plan to increase their selling prices in the months ahead.

Consumer Spending

Consumer spending picked up somewhat in March. Non-auto retailers generally reported stronger sales, though some contacts noted that inflation has eroded consumers' spending power, dampening demand. In New York City, weak international tourism and harsh winter weather have limited sales growth. Supply disruptions have reportedly prompted many retailers to order merchandise further in advance. Consumer confidence among New York State residents rose briskly in March and was roughly on par with pre-pandemic levels.

New vehicle sales remained sluggish in February and March, still restrained by a dearth of inventory, as the microchip shortage has limited production and kept inventories low. Almost all new cars delivered to dealers have been pre-sold 6-8 weeks in advance. Sales of used vehicles were steady, while prices appear to have plateaued.

Manufacturing and Distribution

Manufacturing activity picked up in March, following a winter slump, while activity in the wholesale, transportation, and warehousing sectors continued to expand at a solid clip. However, a number of manufacturers reported that the combination of the Ukraine war, sanctions on Russia, shutdowns in China, and a severe shortage of trucks and trucking services have impeded some key supply channels. Businesses in these sectors have grown less sanguine about the near-term outlook.

Services

Activity in the service sector has been steady to stronger in recent weeks. Education & health providers and information firms reported little change in activity, while professional & business service firms indicated a modest pickup in conditions. Notably, leisure & hospitality and related businesses noted a substantial pickup in business, following an Omicron-related slump during the winter months.

With COVID cases subsiding in New York City and restrictions being eased, tourism has picked up noticeably in recent weeks. Hotel occupancy rates have increased, even as average daily room rates continued to rebound. Moreover, most hotels have reopened citywide, with the number of rooms in inventory now down less than 3 percent from before the pandemic. Domestic visits to New York City have rebounded to about 90 percent of normal levels, while tourism from abroad has only recovered to about 65 percent. Museums have been increasingly busy in recent weeks, and Broadway theater attendance has rebounded to about 15 percent below normal, with performances occasionally disrupted by COVID. Finally, attendance at trade shows has been growing, and recent events, like Comicon, have seen great turnout.

Real Estate and Construction

Home sales and rental markets have continued to strengthen since the last report, though a low inventory of available homes has restrained sales transactions in parts of the District. Real estate contacts in upstate New York noted that a dearth of homes listed for sale has continued to drive up prices and spur bidding wars. Throughout the New York City area, resale volume has been increasingly robust, and prices have trended up briskly; inventories are very low, except in Manhattan, where they are still elevated but declining.

Residential rents across the District have trended up briskly. New York City's residential rental market has continued to tighten, as vacancy rates have declined to pre-pandemic levels. Rents have fully rebounded to at or above pre-pandemic levels across most of the city, with greater escalation at the high end of the market. An industry expert noted that rental concessions have become less common across the city and estimates that bidding wars are occurring on about one in five new leases. Both industry contacts and community organizations have been expressing concern about the availability and affordability of housing.

Commercial real estate markets were steady to stronger, on balance. Office markets across the District were essentially unchanged, with vacancy and availability rates steady and rents flat to up modestly. One New York City contact noted that many companies are sub-leasing excess space. The industrial market, however, has continued to strengthen, with vacancy rates steady at low levels, and rents continuing to trend up strongly. In contrast, the market for retail space has remained weak.

Construction activity remained sluggish overall, with activity reportedly hampered by unseasonably harsh winter weather, escalating construction costs, and shortages of both materials and workers. Non-residential construction starts remained particularly sluggish, with little new activity outside the industrial and warehouse segment. Multi-family residential starts have been steady at a modest level, though there continues to be a good deal of development in the pipeline. Looking ahead, construction sector contacts have become less optimistic about the general outlook, citing widespread shortages.

Banking and Finance

Contacts in the broad finance sector reported little change in activity but remained fairly optimistic about the outlook. Small to medium-sized banks in the District reported little change in overall loan demand—lower for consumer loans and residential mortgages but higher for commercial mortgages. Credit standards were largely unchanged, while loan spreads widened somewhat. Finally, bankers reported lower delinquency rates on consumer loans and residential mortgages but no change on other types of loans.

The following census, land use, economic, area development, and household income information is sourced from Costar.

Subject's Vicinity

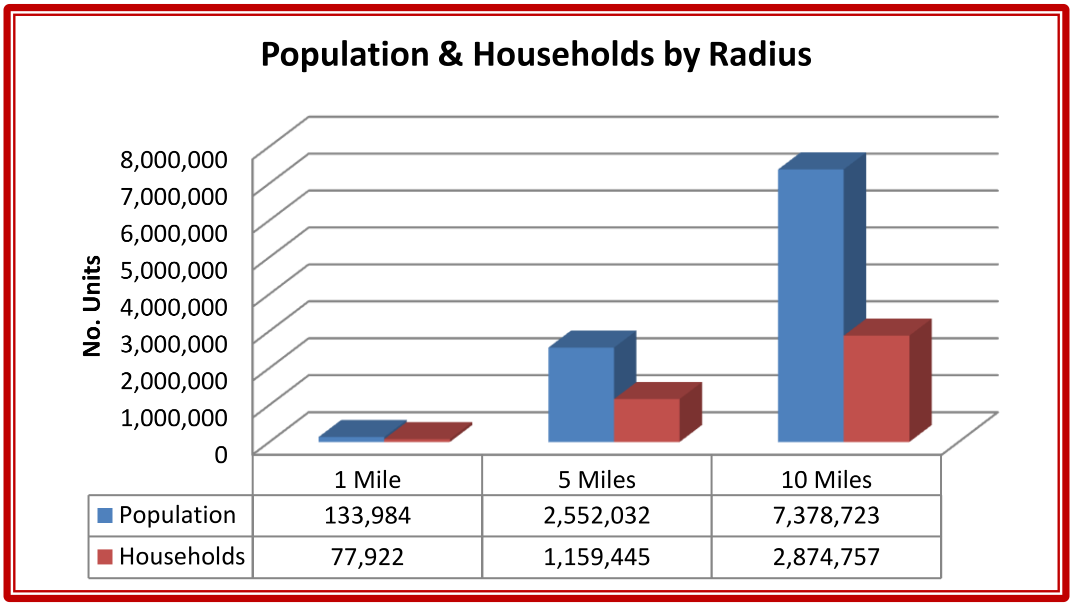
The subject is located within the Clinton - Hell's Kitchen section of the Borough of Manhattan. Clinton - Hell's Kitchen has a total land area of 1.8 square miles and is bounded by the bordering communities of Lincoln Square to the north, Hudson Yards and Chelsea to the south, Theatre District - Times Square to the east and the Hudson River to the west.

The subject property is located along the north side of West 47th Street, between 8th Avenue and 9th Avenue, in Manhattan. West 47th Street is a one-way, one-lane street with northwesterly traffic flow.

The subject's immediate location is residential in nature. Adjacent to the subject to the north and south are multifamily dwellings, to the east is an apartment building, and immediately to the west is a public park. Retail in the subject's vicinity can be found along 8th Avenue as well as 9th Avenue which include supermarkets, bars, pharmacies, fast food restaurants, convenience stores and numerous hotels. The local bus stop is located within walking distance to the subject. Additionally, the 50th Street subway station is located two blocks to the northeast. Access to Route 495/Lincoln Tunnel is located approximately a mile southwest of the subject. The New York Presbyterian Hospital is located approximately two miles northeast of the subject property. The subject is located along a moderately active street based on the amount of automotive traffic observed at the time of inspection. Limited parking is available along the subject's street.

Population

Population and number of households within a 1 mile, 5 mile and 10 mile radius is presented below:



As of 2022, the total population within a one mile radius of the subject amounts to 133,984, which reflects a change of 18.71% from the 2010 population of 112,863. Costar projects total population growth of 1.6% over the next five years. The subject is located within a high density area, with the population per square mile equating to and the number of households reported to be 77,922, which is a change of 15.85% from the 2010 Census household reporting of 65,755. The number of households is projected to change by 1.54% over the next five years.

Economic Composition

The census categorizes the subject's economic base into 13 categories by industry. The table on the following page depicts the economic make-up of the subject area within a 1 mile, 5 mile and 10 miles radius:

Industry Type	% Economic Base: 1 Mile	% Economic Base: 5 Miles	% Economic Base: 10 Miles
Agriculture, Forestry, Fishing & Hunting, and Mining	0.10%	0.14%	0.16%
Construction	3.31%	5.47%	6.96%
Manufacturing	4.89%	4.26%	4.45%
Wholesale Trade	5.37%	4.18%	4.59%
Retail Trade	18.14%	19.87%	21.91%
Transportation/Warehousing/Utilities	0.10%	0.09%	0.09%
Information	6.52%	6.01%	4.90%
Finance, Insurance, Real Estate, and Rental/Leasing	17.09%	11.66%	10.48%
Professional, Scientific, Management, Administrative, and Waste Management Services	28.69%	24.56%	19.79%
Educational, Health, and Social Services	2.08%	3.52%	3.83%
Arts, Entertainment, Recreation, Accommodation, and Food Services	3.64%	4.03%	3.34%
Other Services (except Public Administration)	9.45%	14.70%	17.94%
Public Administration	0.61%	1.51%	1.57%

The area within a 1 mile radius of the subject property is a predominately medium to high income based area with a Median Household Income of $118,881 as of 2022. This represents a 60.7% change from $74,000 as of the 2010 census. Average household income is reported to be $149,631.

The table on the following page presents a 2022 tabulation of the local population working within select industries within a 1 mile, 5 mile and 10 mile radius of the subject property:

Industry Type/ Number Employed	% Economic Base: 1 Mile	% Economic Base: 5 Miles	% Economic Base: 10 Miles
Unemployed	6,143	127,577	435,379
Agricultural and Mining	22	1,041	3,444
Construction Industry	834	41,086	191,821
Construction Other	1,245	39,166	168,027
Education and Health	11,480	268,175	842,805
Farming	1	677	2,460
Industry	78,407	1,315,216	3,454,499
Information	5,343	78,854	143,872
Management	54,506	762,330	1,510,504
Manufacturing	2,772	50,489	140,563
Other Services	3,064	54,499	184,046
Production	1,894	78,991	324,703
Professional	19,191	269,539	528,078
Public Administration	1,559	35,333	109,690
Real Estate and Finance	17,820	200,007	350,833
Retail	5,111	102,333	314,338
Sales	15,243	252,382	684,636
Services	5,929	179,750	740,374
Utilities	1,469	49,053	205,178
Wholesale	1,808	31,597	81,036
Total Workforce	**233,841**	**3,938,095**	**10,416,286**

New York County unemployment rate was 4.4% as of May 2022. This must be compared with current unemployment rates and trends at the local, regional, and national levels. We note that 15.1% of those employed within one mile of the subject property commute to work via public transportation while 1.9% commute by car or truck and 14.3% commute by other means. The remainder of the workforce works locally.

The table on the following page reflects the largest publically held employers in the New York area based on revenue:

Rank	Company/Ticker Symbol Address	Phone/ Website	2020 Revenue (millions)	One-Year Revenue % Change	2020 Net Income (millions)	Industry
1	**JPMorgan Chase & Co.** (JPM) 383 Madison Ave, New York, NY	212-270-6000 jpmorganchase.com	**$129,503.0**	-8.93%	$29,131.00	Investment banking and financial services
2	**Verizon Communications, Inc.** (VZ) 1095 South Ave, New York, NY	212-395-1000 verizon.com	**$128,292.0**	-2.71%	$17,801.0	Telecommunications
3	**Citigroup Inc.** (C) 388 Greenwich St, New York, NY	212-559-1000 citigroup.com	**$88,839.0**	-14.12%	$11,047.0	Investment banking and financial services
4	**International Business Machines Corp.** (IBM) 1 New Orchard Rd, Armonk NY	914-499-1900 ibm.com	**$73,620.0**	-4.57%	$5,590.0	Technology
5	**PepsiCo, Inc.** (PEP) 700 Anderson Hill Rd, Purchase, NY	914-253-2000 pepsico.com	**$70,372.0**	-4.78%	$7,120.0	Food and beverage products
6	**MetLife Inc.** (MET) 200 Park Ave, New York, NY	212-578-9500 metlife.com	**$67,842.0**	-2.55%	$5,407.0	Insurance
7	**Prudential Financial Inc.** (PRU) 751 Broad St, Newark, NJ	973-802-6000 prudential.com	**$57,033.0**	-12%	-$374.0	Insurance
8	**StoneX Group Inc.** (SNEX) 155 E 44th St, New York, NY	212-485-3500 stonex.com	**$54,139.6**	+64.57%	$169.6	Investment banking and financial services
9	**Goldman Sachs Group** (GS) 200 West St, New York, NY	212-902-1000 goldmansachs.com	**$53,498.0**	-0.79%	$9,459.0	Investment banking and financial services
10	**Morgan Stanley** (MS) 1585 Broadway, New York, NY	212-761-4000 morganstanley.com	**$52,047.0**	-3.3%	$10,996.0	Investment banking and financial services
11	**Merck & Co. Inc.** (MRK) 2000 Galloping Hill Rd, Kenilworth, NJ	908-740-4000 merck.com	**$47,994.0**	+2.46%	$7,067.0	Pharmaceutical
12	**American International Group** (AIG) 175 Water St, New York, NY	212-7707000 aig.com	**$43,736.0**	-12.08%	-$5,944.0	Insurance
13	**Bristol-Myers Squibb Co.** (BMY) 430 E 29th St, New York, NY	212-546-4000 bms.com	**$42,518.0**	+62.62%	-$9,015.0	Pharmaceuticals
14	**Pfizer Inc.** (PFE) 235 E 42nd St, New York, NY	212-733-2323 pfizer.com	**$41,908.0**	+1.79%	$9,616.0	Pharmaceuticals
15	**American Express Co.** (AXP) 200 Vesey St, New York, NY	212-640-2000 americanexpress.com	**$38,185.0**	-18.79%	$3,135.0	Financial Services
16	**Travelers Cos. Inc.** (TRV) 485 Lexington Ave, New York, NY	917-778-6000 travelers.com	**$31,981.0**	+1.27%	$2,697.0	Insurance
17	**Phillip Morris International Inc.** (PM) 120 Park Ave, New York, NY	917-663-2000 pmi.com	**$28,694.0**	-3.73%	$8,056.0	Tobacco, food and beverage products
18	**Viacom CBS Inc.** (VIAC) 1515 Broadway, New York, NY	212-258-6000 viacomcbs.com	**$25,285.0**	-6.34%	$2,422.0	Entertainment and media
19	**Macy's Inc.** (M) 151 W 34th St, New York, NY	212-494-1602 macysinc.com	**$18,097.0**	-28.56%	-$3,944.0	Department stores
20	**Marshall & McLennan Cos. Inc**. (MMC) 1166 Sixth Ave, New York, NY	212-345-5000 mmc.com	**$17,224.0**	+3.44%	$2,016.0	Professional services
21	**Becton, Dickinson and Co.** (BDX) 1 Becton Drive, Franklin Lakes, NJ	201-847-6800 bd.com	**$17,117.0**	-1%	$874.0	Medical equipment and supplies
22	**Bank of New York Mellon Corp.** (BK) 240 Greenwich St, New York, NY	212-495-1784 bnymellon.com	**$16,856.0**	-18.83%	$3,617.0	Banking
23	**Cognizant Technology Solutions Corp.** (CTSH) 500 Frank W. Burr Blvd, Teaneck, NJ	201-801-0233 cognizant.com	**$16,652.0**	-0.78%	$1,392.0	Information technology
24	**Colgate-Palmolive Co.** (CL) 300 Park Ave, New York, NY	212-310-2000 colgatepalmolive.com	**$16,471.0**	+4.96%	$2,695.0	Health and beauty aids
25	**BlackRock Inc.** (BLK) 55 E 52nd St, New York, NY	212-810-5300 blackrock.com	**$16,205.0**	+11.46%	$4,932.0	Investment management
26	**Mastercard Inc.** (MA) 2000 Purchase St, Purchase, NY	914-249-2000 mastercard.com	**$15,301.0**	-9.37%	$6,411.0	Payment solutions
27	**Automatic Data Processing Inc.** (ADP) 1 ADP Blvd, Roseland, NJ	973-974-5000 adp.com	**$14,589.8**	+3.4%	$2,466.5	Human resources software
28	**Estee Lauder Cos. Inc.** (EL) 767 Fifth Ave, New York, NY	212-572-4200 elcompanies.com	**$14,294.0**	-3.83%	$684.0	Health and beauty aids
29	**Omnicom Group Inc.** (OMC) 437 Madison Ave, New York, NY	212-415-3600 omnicomgroup.com	**$13,171.1**	-11.92%	$945.4	Media, marketing, and communications

In order to gauge the affordability of market rent vis-à-vis household income, we present below a table that depicts household income within a 1 mile, 5 mile and 10 mile radius of the subject property:

RADIUS FROM SUBJECT	HOUSEHOLD INCOME: 1, 5 & 10 MILES OF SUBJECT				
	Less than $10,000	$10,000 to $14,999	$15,000 to $24,999	$25,000 to $34,999	$35,000 to $49,999
1 Mile	8.2%	3.1%	5.9%	4.2%	5.6%
5 Miles	7.8%	4.3%	6.2%	5.3%	7.0%
10 Miles	8.8%	5.0%	7.9%	7.0%	9.4%
	$50,000 to $74,999	$75,000 to $99,999	$100,000 to $149,999	$150,000 to $199,999	$200,000 or more
1 Mile	7.4%	8.7%	15.6%	11.6%	29.8%
5 Miles	11.1%	10.0%	15.2%	9.9%	23.2%
10 Miles	14.0%	10.8%	14.7%	8.2%	14.1%

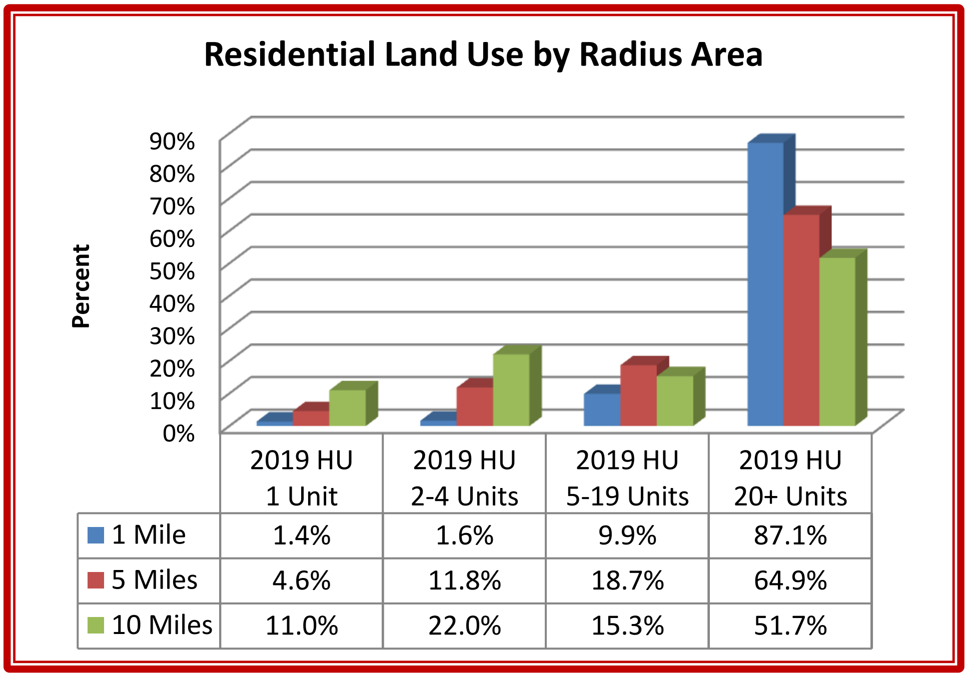
Land Use General

The following chart reflects land uses to the north, south, east and west of the subject property:

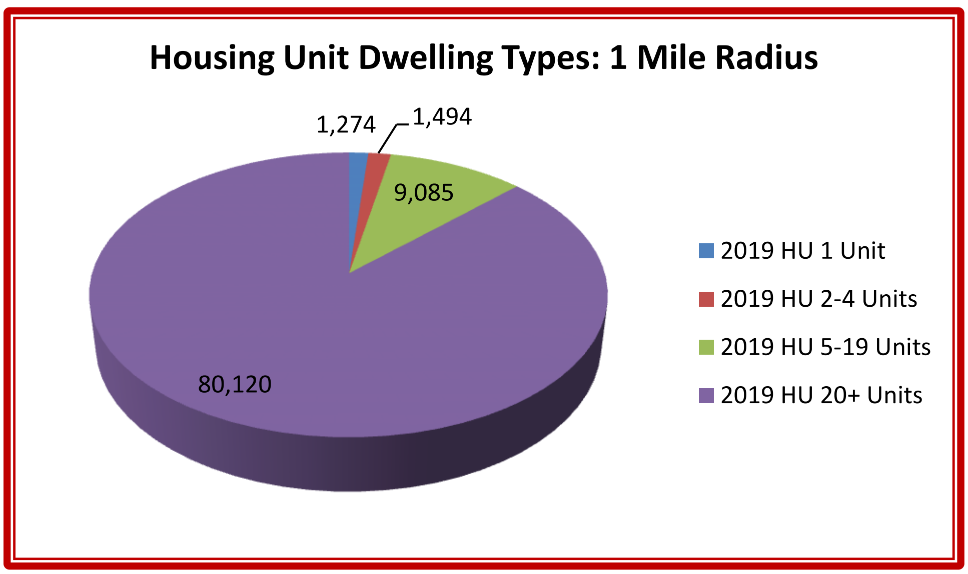
Typical properties in the subject's vicinity include low- to mid-rise elevator/walkup multifamily residences and apartment buildings that appear to be satisfactorily maintained. The subject conforms to the surrounding land uses.

Land Use Residential

Residential land use in the subject's immediate area (1 mile radius) as well as the general area (5 mile and 10 mile radius) is as follows:



	2019 HU 1 Unit	2019 HU 2-4 Units	2019 HU 5-19 Units	2019 HU 20+ Units
1 Mile	1.4%	1.6%	9.9%	87.1%
5 Miles	4.6%	11.8%	18.7%	64.9%
10 Miles	11.0%	22.0%	15.3%	51.7%

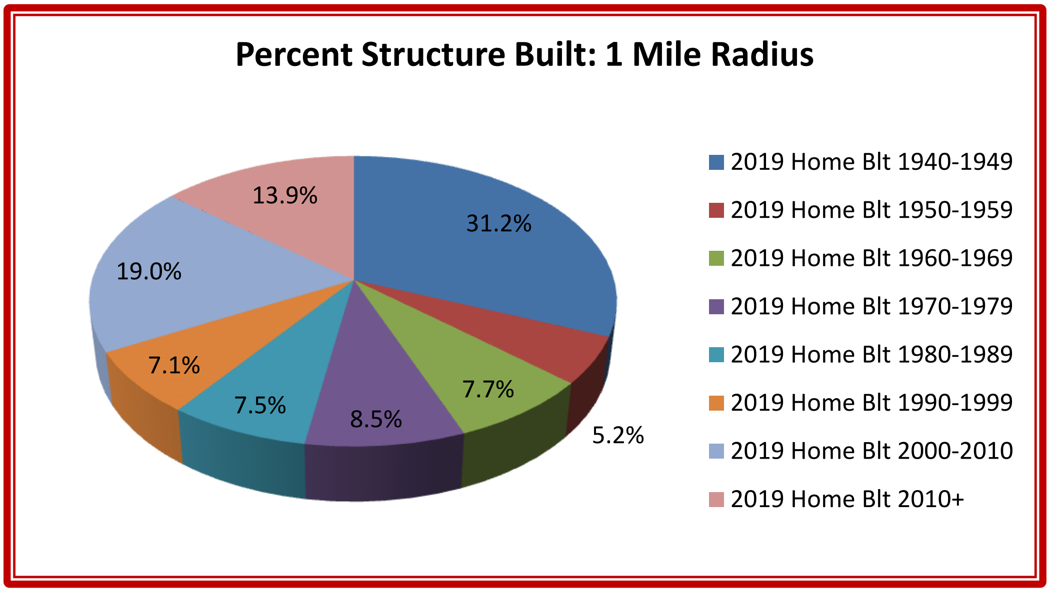


There are a total of 91,973 units within one mile of the subject, representing a change of 18.5% from the 2010 census. There are 1,324,722 units within five miles of the subject property and 3,267,099 units within 10 miles of the subject property.

The area contains an eclectic mixture of affordable and luxury housing stock. A breakdown of the age of the area housing stock as of 2022 is presented below:

Year Structure Built								
Radius	1940-1949	1950-1959	1960-1969	1970-1979	1980-1989	1990-1999	2000-2009	2010 & Later
1 Mile	28,717	4,824	7,066	7,830	6,903	6,495	17,518	12,767
5 Miles	570,567	128,962	146,091	95,886	63,241	49,572	139,107	133,225
10 Miles	1,477,585	411,728	381,514	232,150	135,960	115,402	261,353	257,723

The number of housing units within a 1 mile radius of the subject is reported to be 91,973 while total housing units within a 5 mile and 10 miles radius are 1,324,722 and 3,267,099, respectively. We additionally note that approximately 15,583 units within a 1 mile radius are owner-occupied while 62,338 units are renter-occupied.

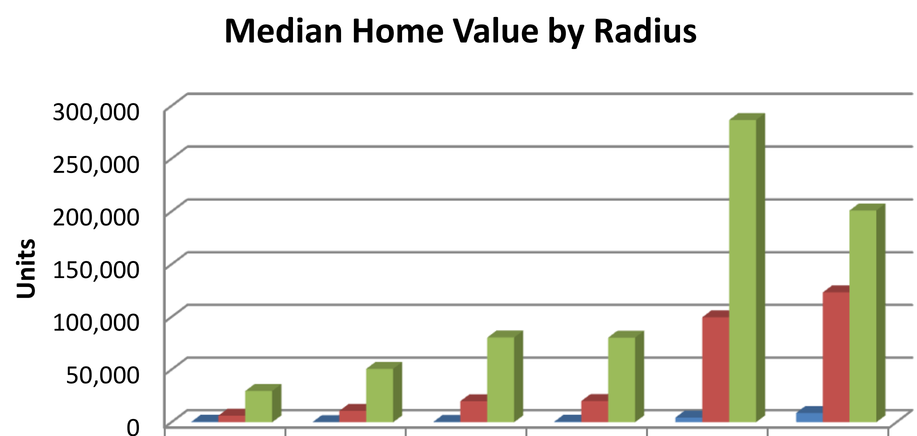


The average year built for all residential structures within a 1 mile radius is 1977 while the median year built is 1976.

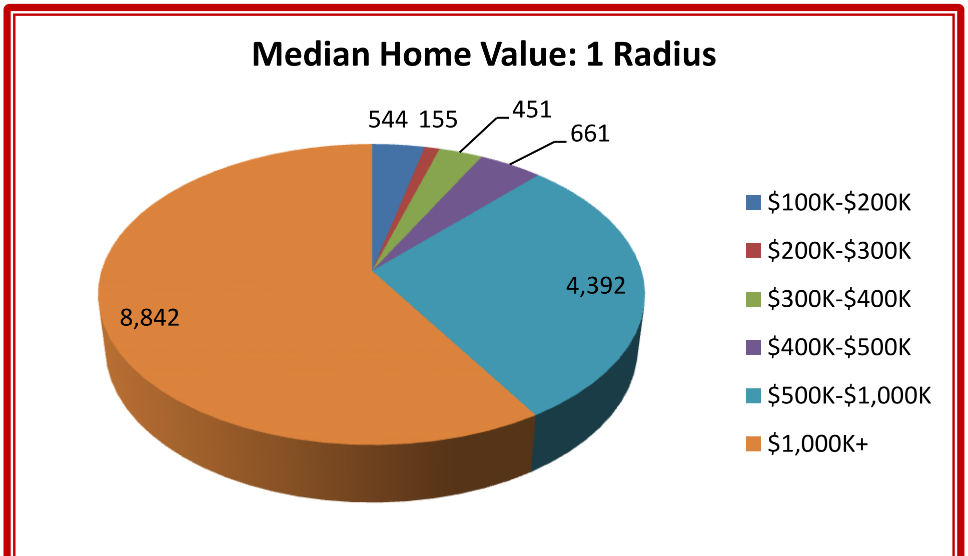
Land Use Residential Home Values

The ten-year Treasury Bill rate, as of the date of valuation, was 2.96%, which is a change of 81.60% from the January 1, 2022 ten-year Treasury Bill rate of 1.63%. This upwards change in long-term interest rates has a negative effect on new development due to the increasing costs in construction financing.

Median home values within a 1 mile radius of the subject is $1,035,642 with the breakdown of home values within a 1 mile, 5 miles and 10 miles of the subject property reflected below:



	$100K-$200K	$200K-$300K	$300K-$400K	$400K-$500K	$500K-$1,000K	$1,000K +
1 Mile	544	155	451	661	4,392	8,842
5 Miles	6,274	10,829	20,049	20,179	99,725	123,402
10 Miles	29,698	50,784	80,512	80,413	286,696	201,055



Shopping

Local shopping areas are located along 8th Avenue and 9th Avenue.

Schools

Area schools report academic results around average levels.

Recreation

Area residents benefit from public parks, playgrounds, and other recreational areas, which consist of Ramon Aponte Playground, Hell's Kitchen Park and Mathews-Palmer Playground.

Crime

The subject's area has an adequate police presence and exhibits average crime rates.

Residential Rental Market Trends

The rental market within New York is generally robust with demand outpacing supply, especially for below market rent-regulated apartments. A variety of public and private schools, a fairly safe living environment with low to moderate crime, and adequate proximity to shopping and business centers establish the subject’s neighborhood as moderately desirable. Based on our research of rents in the subject’s neighborhood, we have found that typical market-reflective rents within properties similar to the subject range from $7,540 to $8,000 per month ($74.19/SF to $81.55/SF) for two-bedroom apartments, $7,540 to $8,000 per month ($79.62/SF to $87.77/SF) for two-bedroom penthouse apartments, and $9,750 to $10,000 per month ($62.97/SF to $69.00/SF) for two-bedroom duplex apartments.

Market Value Trends Conclusion

In general, market values for condominium units within the subject’s market area appear to have increased in the recent past. Our independent market survey of sales prices within the subject’s general vicinity revealed the following:

Sales prices for two-bedroom condominium units range from $2,085,000 to $2,450,000 with an average and median sales price of $2,253,250 and $2,239,000, respectively and a per SF average and median value of $1,605 and $1,601, respectively.

Sales prices for two-bedroom PH condominium units range from $2,085,000 to $2,450,000 with an average and median sales price of $2,253,250 and $2,239,000, respectively and a per SF average and median value of $1,605 and $1,601, respectively.

Sales prices for two-bedroom duplex condominium units range from $2,300,000 to $2,960,000 with an average and median sales price of $2,640,000 and $2,650,000, respectively and a per SF average and median value of $1,431 and $1,422, respectively.

Transportation

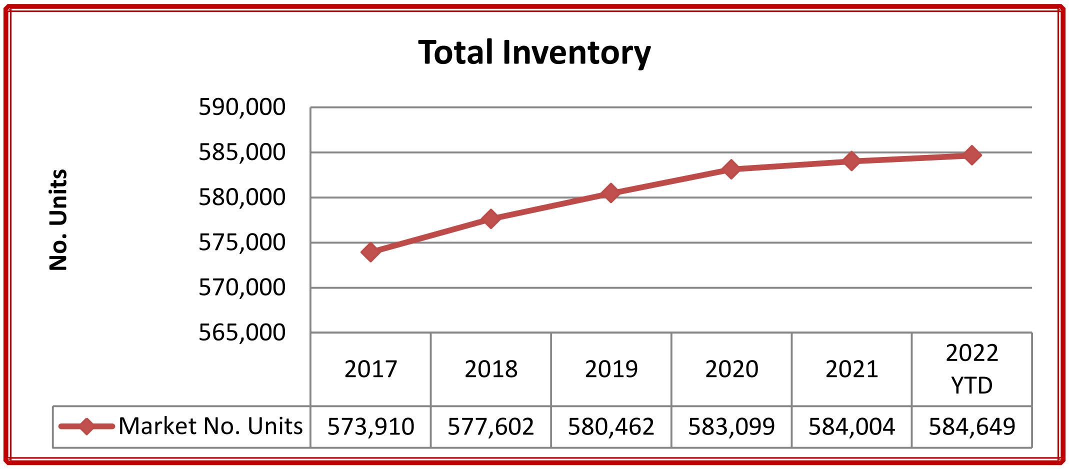
The subject’s area is easily accessible from all parts of Manhattan and benefits from a good public transportation network. The general vicinity is served by multiple subway lines and bus routes. Vehicular transportation in this area is considered good. Major avenues and cross streets provide reasonably good access throughout the locality during peak hours, although a moderate and occasionally high level of congestion may persist at times. One important consideration for any property is its proximity to area highways. In this regard, the subject benefits from convenient access to Route 495/Lincoln Tunnel and the FDR Drive.

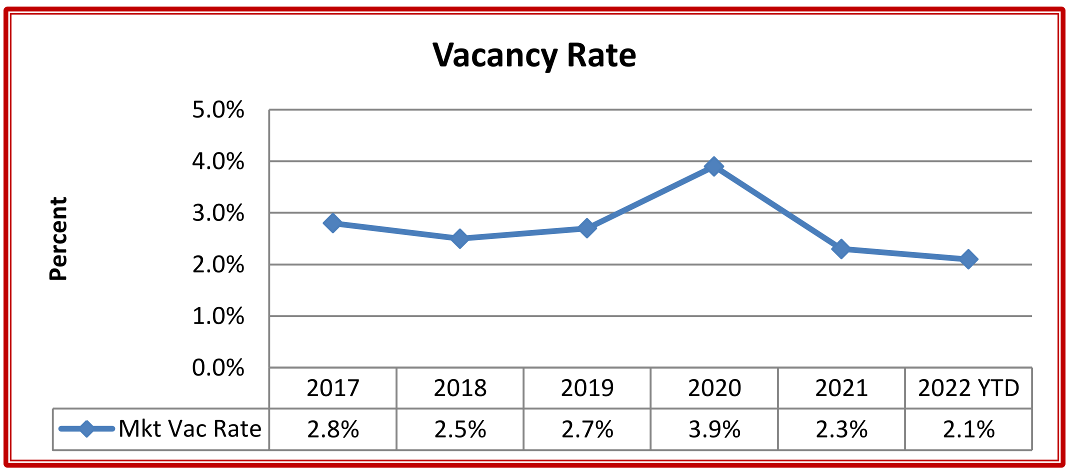
Conclusion

Manhattan has long been regarded as a primarily affordable and luxury area in which to live. The subject property is well located within relatively close proximity to area business and shopping districts, and is locationally competitive within the local marketplace.

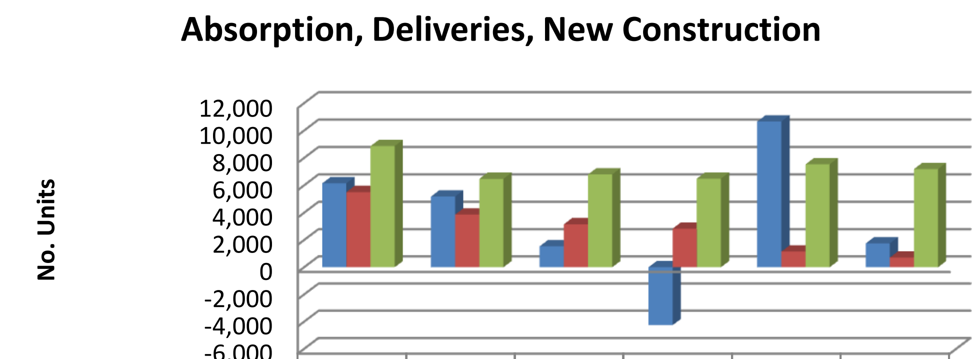
Competitive New York Multi-Family Market Analysis

Market figures below have been obtained from CoStar Inc.'s Custom Analytics data source and reflect competitive market data as of the date of valuation. CoStar Inc. is a national real estate data service provider. The subject is located within the New York multi-family market which comprises 584,649± units within 18,278 buildings. As of July 2022, the vacancy rate was 2.1% (12,011 units). The following two charts reflect New York's overall multi-family inventory and vacancy rate over the past five years:





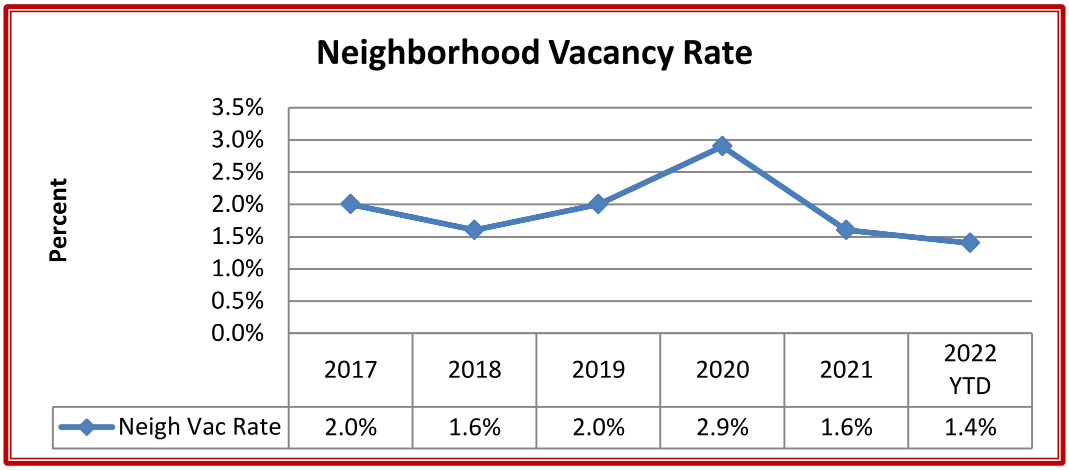
Net absorption is commonly defined as the net change in occupied space over a specified period of time. Unless otherwise noted, net absorption includes both direct leasing and subleased spaced. Negative net absorption typically corresponds to increased vacancy. Year-to-date net absorption within the New York multi-family market was 1,753 units while year-to-date deliveries and pending new construction amounted to 713 and 7,185 units, respectively. A snapshot of the year-to-date net absorption, deliveries and new construction as well as a historical perspective of New York's multi-family market dynamics is presented on the following page:



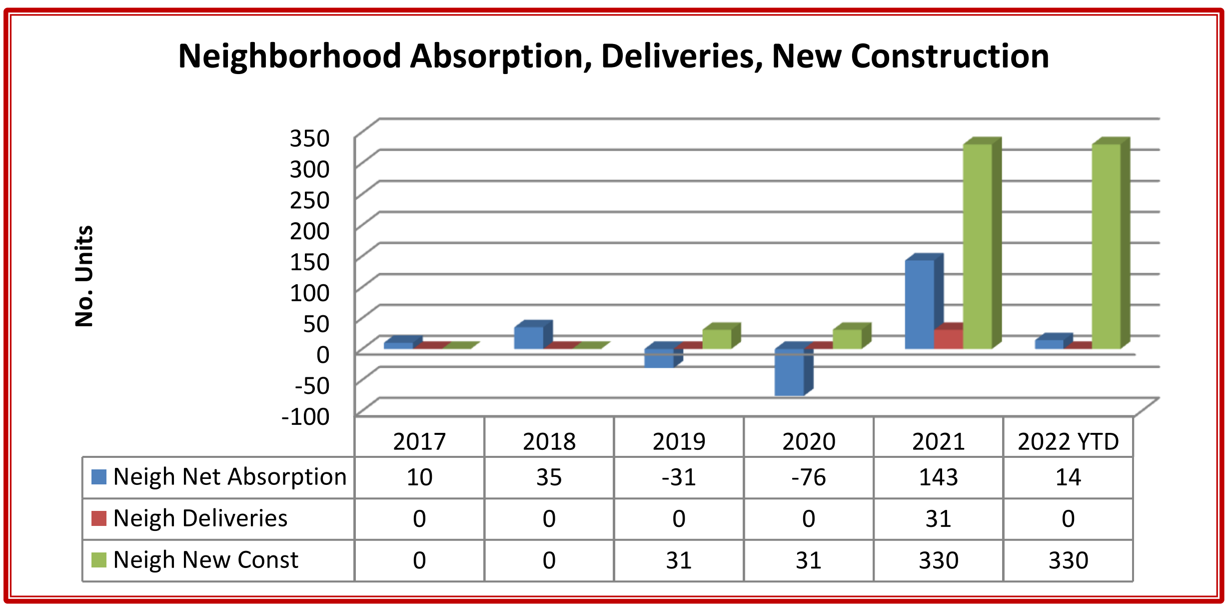
	2017	2018	2019	2020	2021	2022 YTD
Mkt Net Absorption	6,144	5,182	1,544	-4,255	10,659	1,753
Mkt Deliveries	5,510	3,868	3,159	2,841	1,153	713
Mkt New Const	8,867	6,475	6,795	6,490	7,535	7,185

CoStar reports that the vacancy rate for multi-family properties within the subject's immediate neighborhood is 1.4% year to date. This is based on leasing activity within 170 buildings containing 8,163 units available for rent. The vacancy rate in this area has generally decreased from 2.0% to 1.4% since 2019. The following two charts reflect the subject's local neighborhood's multi-family inventory and vacancy rate over the past five years:

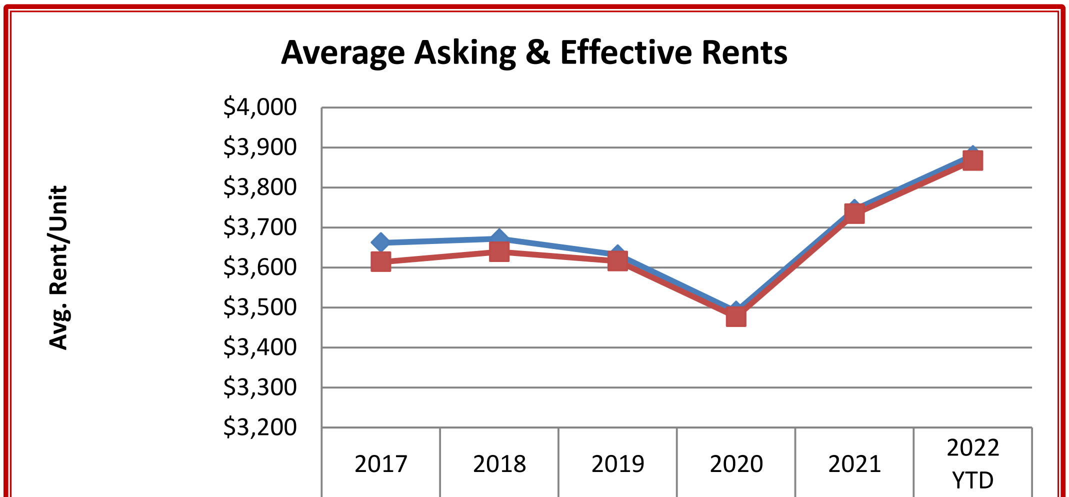
	2017	2018	2019	2020	2021	2022 YTD
Neigh No. Units	8,132	8,132	8,132	8,132	8,163	8,163



The two most recent years have seen positive absorption of 143 units for 2021 and negative absorption of -76 units for 2020, reflecting fluctuating demand for space. Net absorption for the current year to date is reported to be 14 units, as compared to net absorption of 143 units over the course of last year. A snapshot of the net absorption, deliveries, and new construction within the subject's neighborhood as well as historical perspective of these market dynamics are presented below:



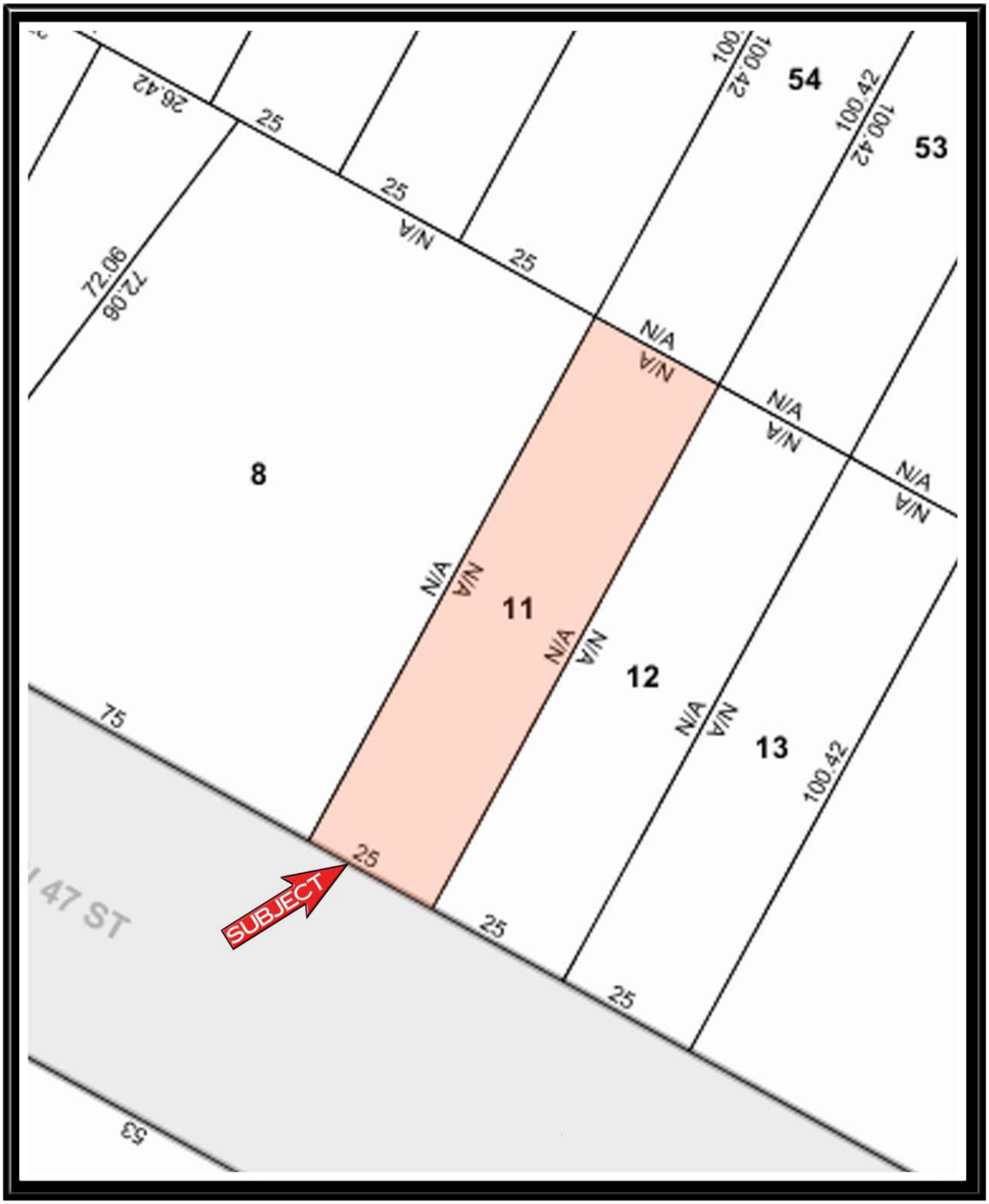
While vacancy rates have declined and absorption over the most recent quarters has been positive, rental rates have fluctuated from $3,632 per month three years ago, to $3,491 per month two years ago and $3,745 per month one year ago, to the current average market rate of $3,880 per month. The chart on the following page illustrates year-to-date and historical asking and effective rents:



	2017	2018	2019	2020	2021	2022 YTD
Avg Asking Rent	$3,662	$3,672	$3,632	$3,491	$3,745	$3,880
Avg Effective Rent	$3,614	$3,639	$3,616	$3,477	$3,734	$3,867

Taking into account the general trends in rental rates as well as the vacancy rate, we expect rents to generally increase for at least some time going forward.

PROPERTY DESCRIPTION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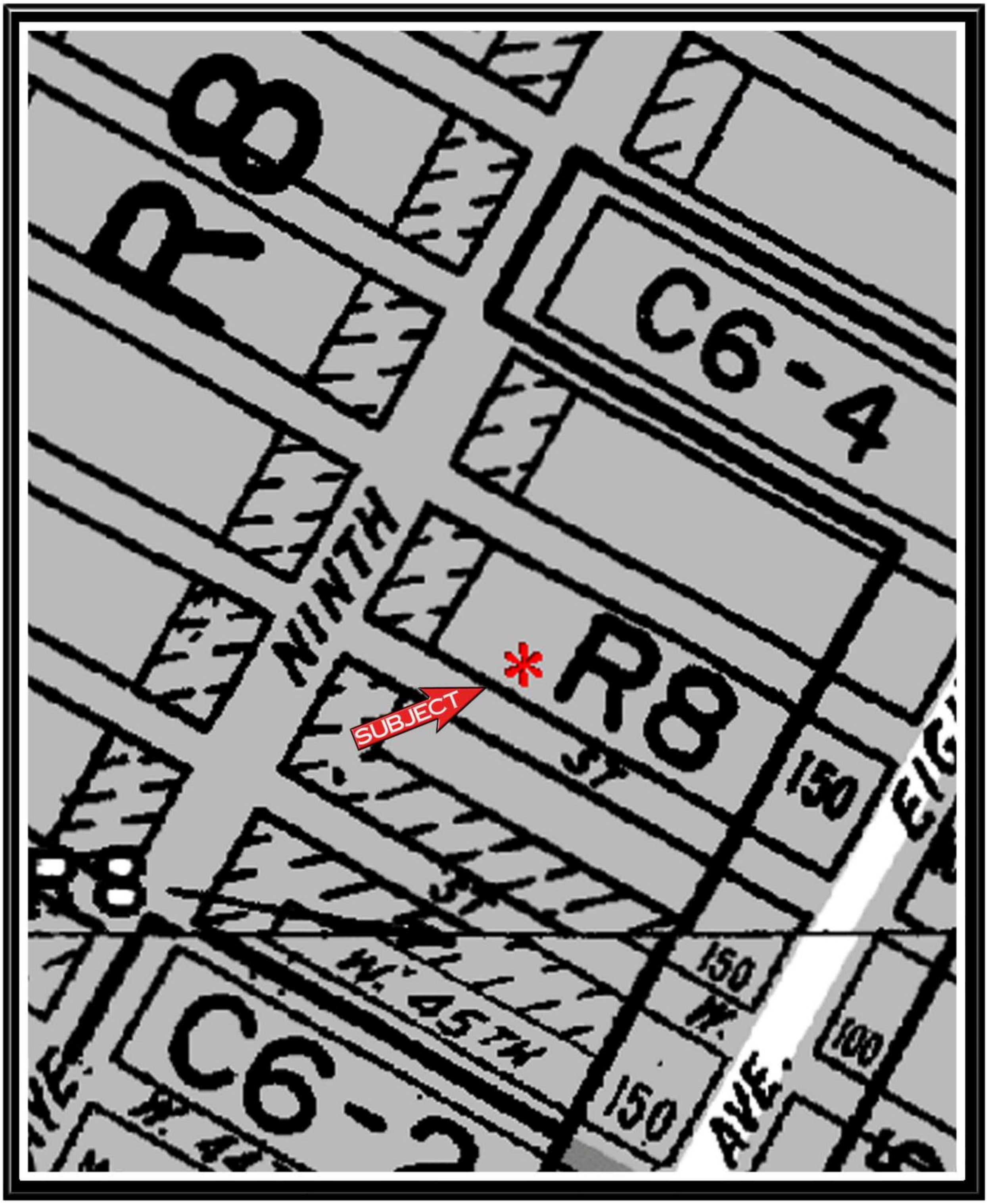
SITE MAP



ZONING MAP

SITE DESCRIPTION

The subject site is located along the north side of West 47th Street, between 8th Avenue and 9th Avenue. The site is rectangular in shape with a frontage of 25.00 feet along West 47th Street and a maximum depth of 100.00’. Total site area is 2,526± square feet. The site is level with street grade. Public services including electricity, natural gas, and telephone are either in place or available to the site. The subject is located within a Zone “X” Flood Area as represented on Community Panel Map Number 3604970088F, effective September 5, 2007. Zone “X” flood areas consist of areas of minimal to moderate flood hazard determined to be outside the Special Flood Hazard areas. No public or private easements nor hazards of any kind that would be considered detrimental to the site were noted during our investigations.

ZONING

According to the Planning Department of the City of New York, the subject property is zoned R8 (residential) and is within the Clinton Special District. The maximum legally permitted Floor Area Ratio (FAR) is .94-6.02 and on-site parking 40% of units.

R8: Apartment buildings in R8 districts can range from mid-rise, eight- to ten-story buildings to much taller buildings set back from the street on large zoning lots. This high density residential district is mapped along the Grand Concourse in the Bronx and on the edge of Brooklyn Heights. R8 districts are also widely mapped in Manhattan neighborhoods, such as Washington Heights. New buildings in R8 districts may be developed under either height factor regulations or the optional Quality Housing regulations that often reflect the older, pre-1961 neighborhood streetscape.

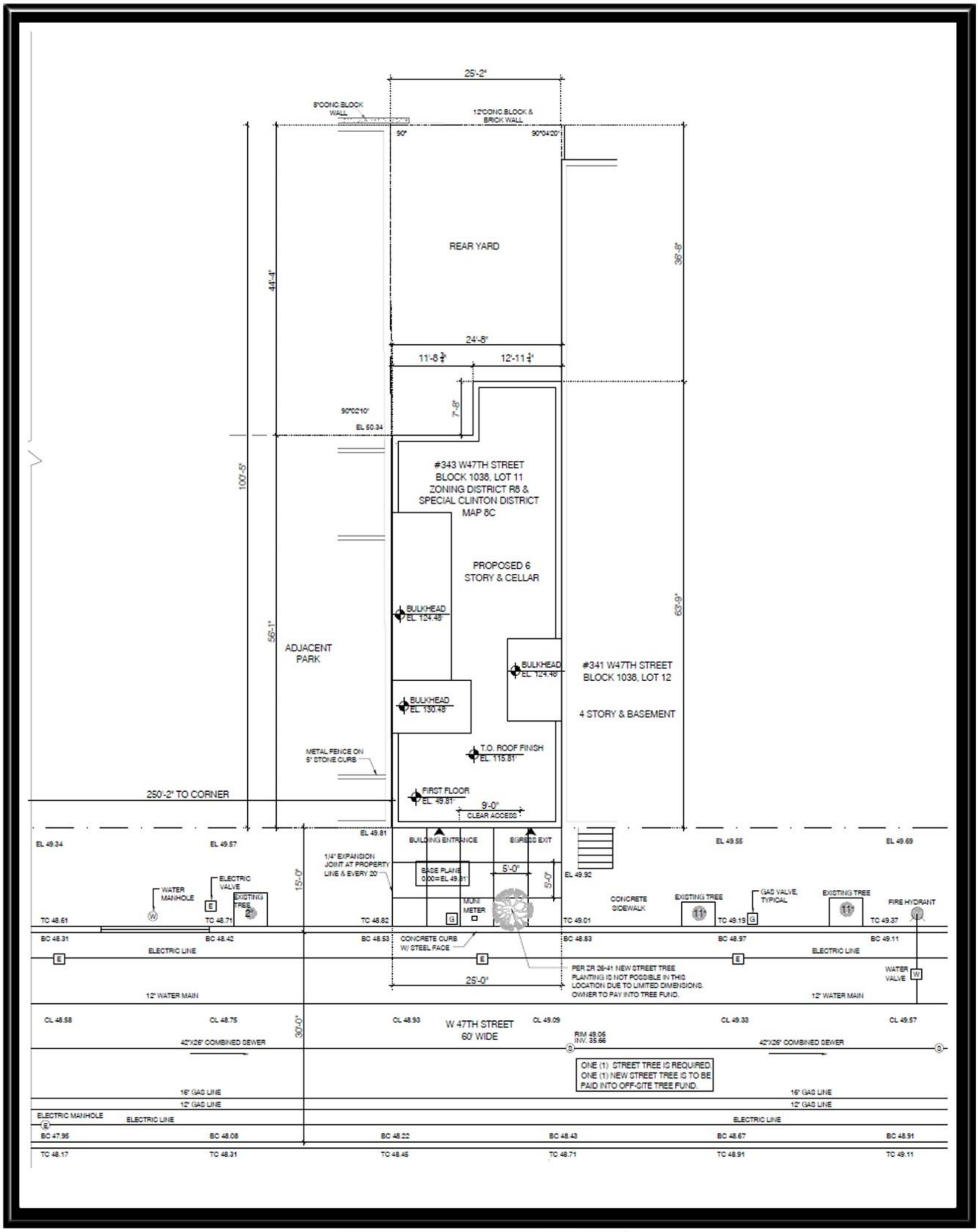
Height Factor Regulations:

The floor area ratio(FAR) for height factor development in R8 districts ranges from 0.94 to 6.02; the open space ratio (OSR) ranges from 5.9 to 11.9. A taller building may be obtained by providing more open space. In the diagram, for example, 64% of the zoning lot with the 17-story building must be open space (6.02 FAR x 10.7 OSR). Thus, the maximum FAR is achievable only where the zoning lot is large enough to accommodate a practical building footprint as well as the required amount of open space. There are no absolute height limits; the building must be set within a sky exposure plane which, in R8 districts, begins at a height of 85 feet above the street line and then slopes inward over the zoning lot.

Off-street parking is generally required for 40 percent of a building’s dwelling units, but requirements are lower for income-restricted housing units (IRHU) and are further modified in certain areas, such as within the Transit Zone and the Manhattan Core, or for lots less than 15,000 square feet. Off-street parking requirements can be waived if 15 or fewer parking spaces are required or if the zoning lot is 10,000 square feet or less.

Based on our best estimates, the subject property is in conformance and compliance with current zoning requirements.

DESCRIPTION OF THE IMPROVEMENTS



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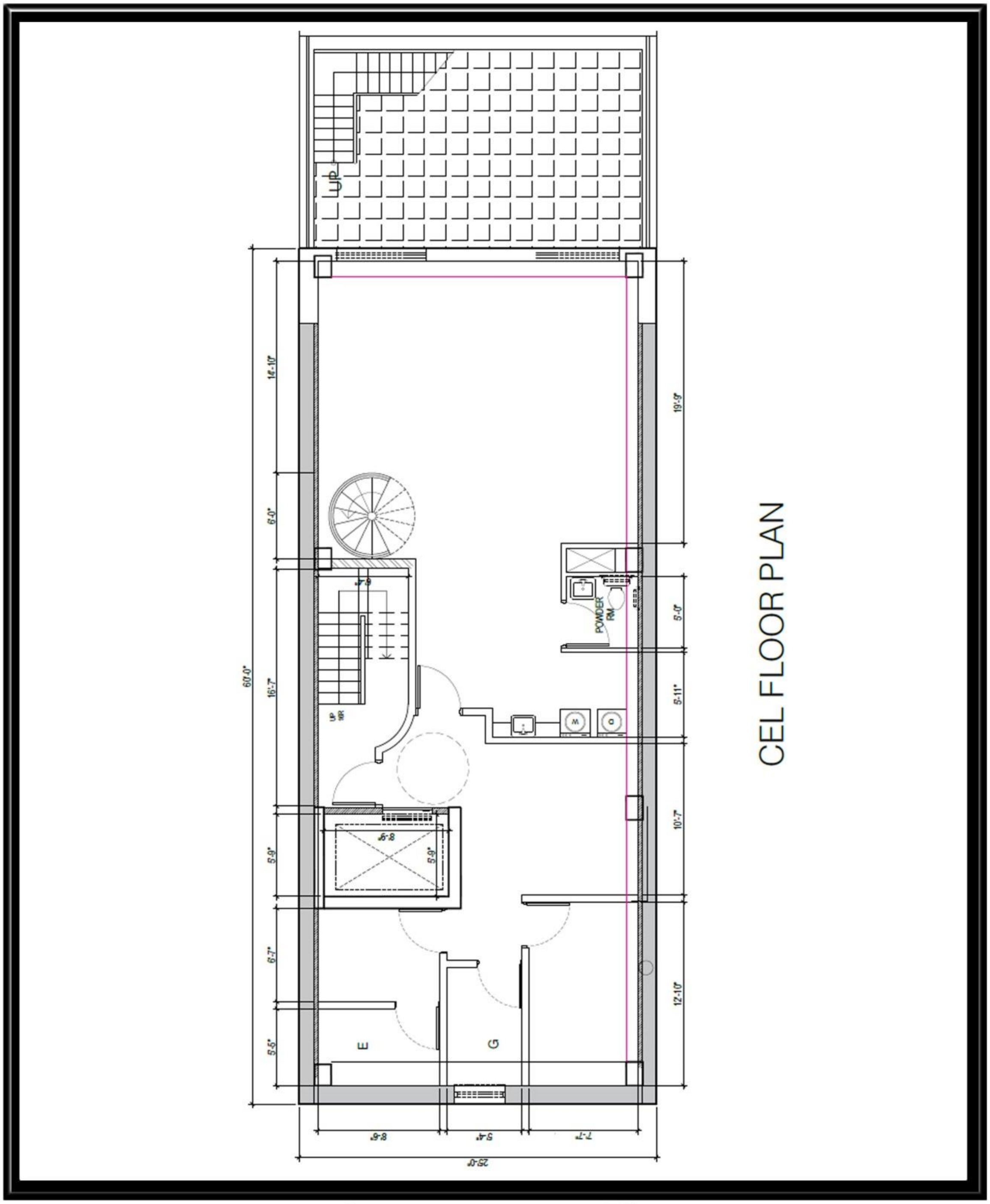

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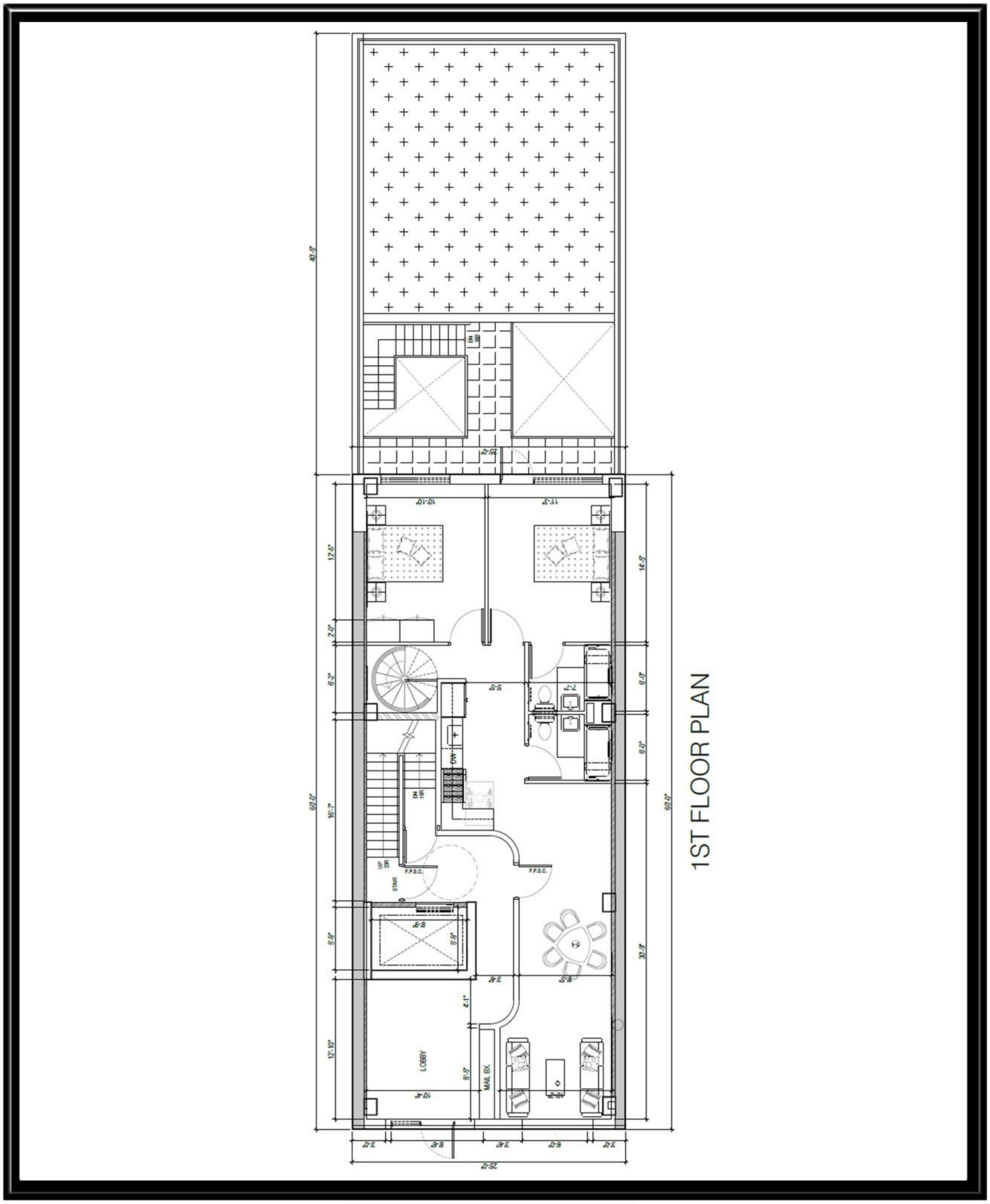

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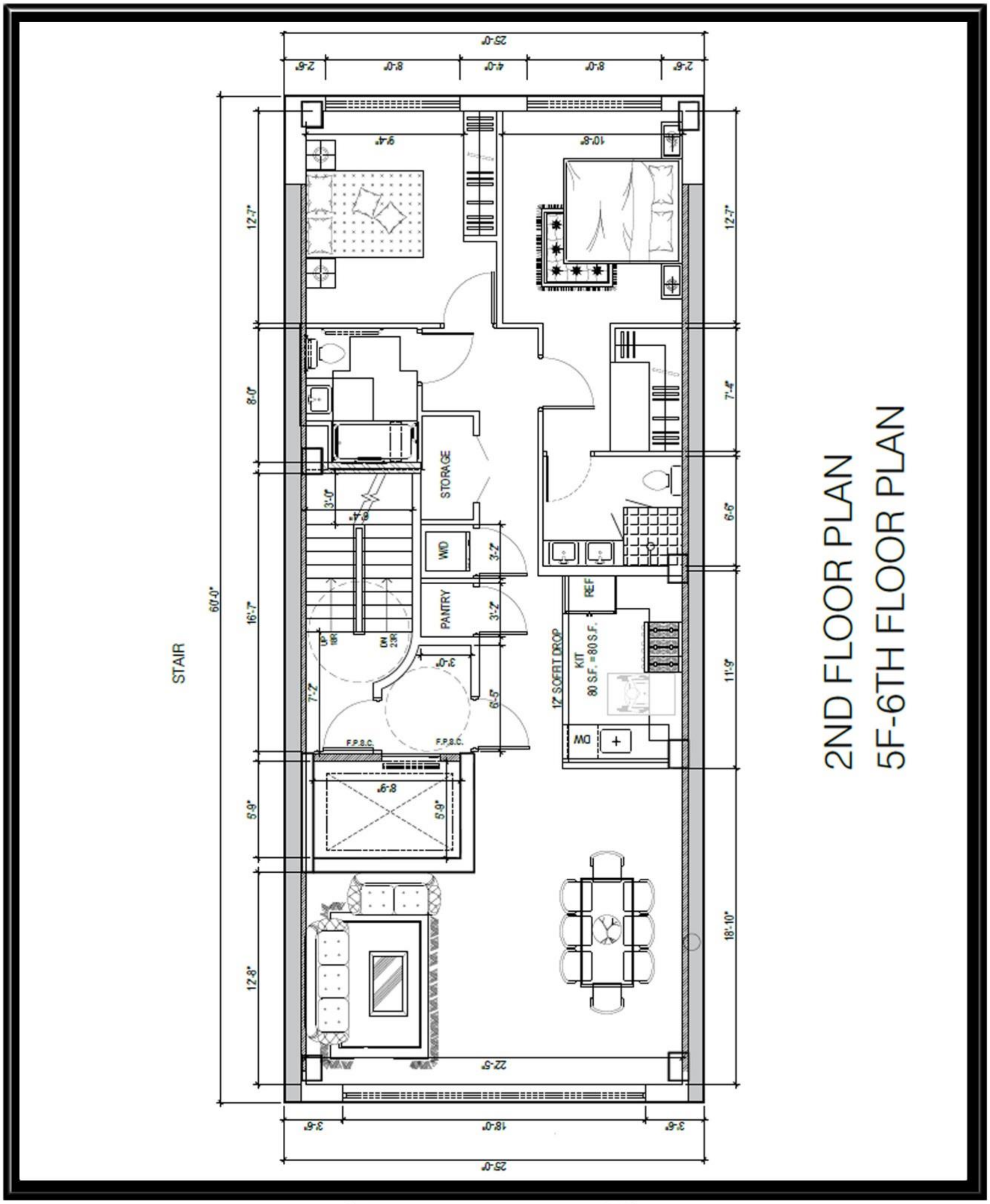
2ND FLOOR PLAN
5F-6TH FLOOR PLAN
STAIR
STORAGE
PANTRY
W/D
REF
DW
12" SOFFIT DROP
KIT
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F.P.S.C.
F.P.S.C.

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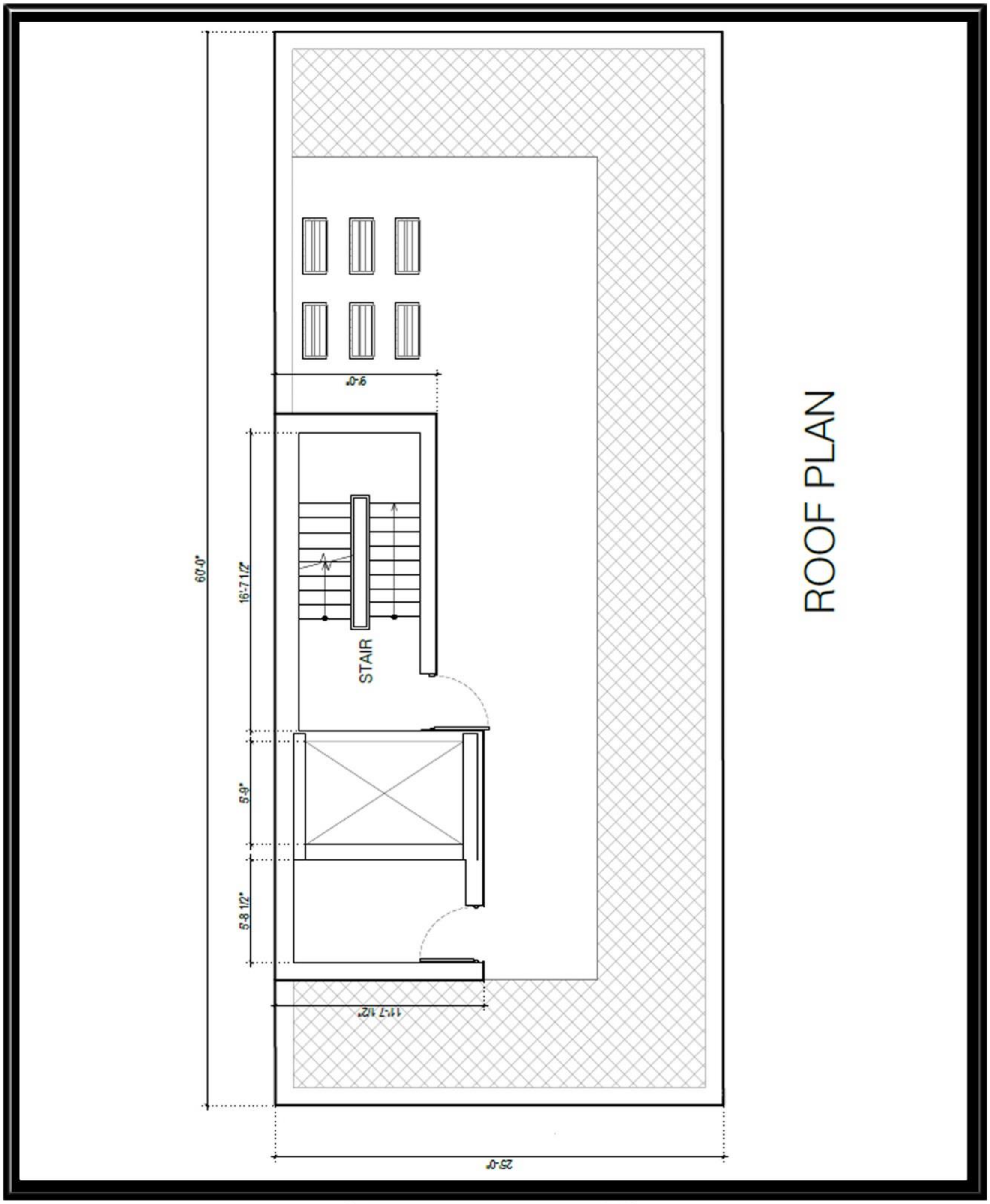


SKETCH

The subject property consists of a vacant four-story 5,272 square foot four-family dwelling pending gut renovation and expansion into a six-story plus cellar, 9,800 square foot elevator multi-family condominium building which will contain six residential units with a total of 27 rooms. As of the date of valuation, the building was vacant, pending gut renovation, expansion and occupancy. The subject structurally will conform with existing similar-type improvements in the immediate vicinity and is located along the north side of West 47th Street, between 8th Avenue and 9th Avenue. The subject's projected total building area amounts to approximately 9,800 square feet. The building superintendent resides offsite. The following description is based upon both a physical inspection of the property by Nelkin Ramirez on July 14, 2022, and conversations with the managing agent. A copy of the budget or cost of the proposed renovation supplied by ownership, is attached in the Addenda hereto.

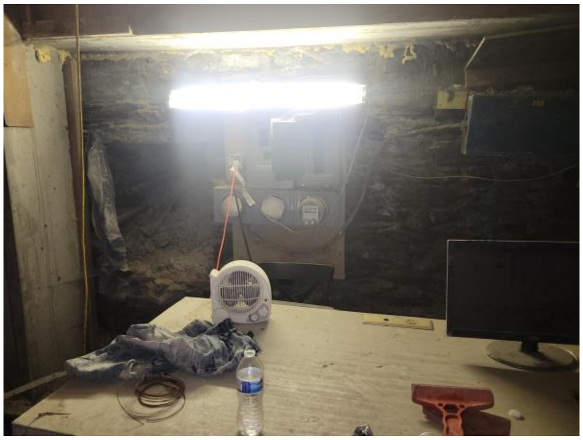
Foundation:	The building foundation consists of brick, concrete, and masonry walls, slabs, and footings. Based on our limited assessment of the foundation's condition, building support appears to be adequate.
Exterior Walls:	The building exterior wall façade finish consists of brickface. The subject is reported to be constructed with masonry or concrete exterior walls, and primarily wood or steel roof and floor structures (construction class C).
Roof:	The subject has a flat built-up roof with a rolled roof system surface. There are gutters and leaders to provide water drainage away from the roof surfaces. The roof was observed to be in good condition.
Windows:	Windows will be double hung with aluminum frames.
Building Entrance:	The building will be accessed via a single main entrance door that leads directly into the building's interior. The exterior door will consist of aluminum and glass. The subject's entrance will include a dual audio/visual intercom security system located outside the exterior front door. Apartment entry doors will be fire-resistive steel-covered solid-core wood.
Lobby:	Lobby ceilings and walls will be painted sheetrock. Floors will be finished with tile. Lighting will be provided by fluorescent fixtures.
Common Area:	Common area ceilings and walls will be painted sheetrock. Floors will be finished with tile. Lighting will be provided by fluorescent fixtures and the subject has one open stairway providing access to all of the building levels.
Elevator:	The building will be served by a single automatic passenger elevator.
Interiors:	The interiors will be typical in terms of layout, design, and finish and will feature painted sheetrock ceilings and walls; flooring will be hardwood. Lighting will be provided by incandescent fixtures. The ceiling height will be approximately 8-10 feet.
Kitchens:	The kitchens will feature typical fixtures and equipment including cabinetry with hard surface countertops, sinks, refrigerators, and gas stoves.

Bathroom:	Typical bathroom finishes will include standard fixtures (tub/shower, flushometer toilets and porcelain sinks). Bathroom walls will be ceramic tile while the ceilings will be painted sheetrock; the floors will be tile.
Cellar:	The subject has a full cellar (occupying approximately 100% of the building footprint area) that will contain the lower level of a duplex unit space, mechanical systems, utility connections, meters, and storage space. Cellar finishes will include painted sheetrock walls, hardwood flooring, and painted sheetrock ceilings. Lighting will be fluorescent.
Plumbing:	The plumbing lines throughout the building for cold and hot water will be copper. Sewer lines will be PVC.
Heating/Hot Water:	Each building unit will be supplied with an individual electric HVAC system which will provide both heat and air conditioning, as well as a separate hot water heater, the cost of which will be borne by the building tenants. The heating system is expected to exhibit good energy efficiency.
Air-Conditioning:	The subject will have central air-conditioning.
Electricity/Gas:	The building will be equipped with circuit breakers. Electric service will be separately metered; the meters will be located in the cellar. The gas lines will be black iron. Gas service will be separately metered; the meters will be located in the cellar.
Water & Sewer:	We have been informed that the subject property is billed on a metered basis. The apartments will be individually metered for water usage.
Laundry:	Each unit will benefit from one laundry machine and one dryer.
Overall Condition:	After development the subject is expected to be in good condition.

Additional Photos



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Residential Unit Information

The subject property contains six apartments with a total of 27 rooms. Approximate average rooms per unit and average unit and room sizes are presented below. Please note that these figures are inclusive of any legal below-grade occupancy and the gross floor area thereof.

Unit Type	Unit Count	Average Unit Size (SF)	Average Room Size (SF)	Average Rooms/Unit
2-BR	4	1,350	338	4.0
2-BR Penthouse	1	1,350	270	5.0
2-BR Duplex	1	2,150	358	6.0

The above averages are based on total living area of approximately 8,820 square feet (9,800 square feet of building area less an estimated 10.00% for common area space). Apartments below grade are typical in the market.

Unit breakdown incorporating general layout features is presented below:

Two-Bedroom Apartments **4 units**

These units include a living room, two bedrooms, kitchen, bathroom and washer and dryer.

Two-Bedroom Penthouse Apartments **1 unit**

This penthouse unit includes a living room, two bedrooms, kitchen, bathroom and washer and dryer as well as private rooftop area.

Two-Bedroom Duplex Apartments **1 unit**

This duplex unit which descends into the cellar includes a living room, two bedrooms, kitchen, washer and dryer and two bathrooms.

Comments on Condition and Functionality

The subject property was inspected with the assistance of the building managing agent. The subject property currently consists of a vacant four-story 5,272 square foot four-family dwelling pending gut renovation and expansion into a six-story plus cellar, 9,800 square foot elevator multi-family condominium building which will contain a ground floor duplex unit which will descend into the cellar as well as a single unit on each of the five floors above amounting to six total residential units. The total projected construction cost is reported to be approximately $6,650,755.60 ($679 per square foot) with approximately $500,000 ($51 per square foot) having been spent and approximately $6,150,755.60 (approximately $628 per square foot) remaining to be spent. To this we add entrepreneurial profit (25%) in order to address the required return an investor would demand for the risk associated with completing the project. Total deduction thus amounts to $7,688,444.5 ($6,150,755.60 x 1.25). This amount will be deducted from our estimate of market value via the Sales Comparison and Income Approaches to value. Upon completion of the pending expansion and renovations, the subject is projected to be in good condition and is anticipated to receive adequate maintenance. The property is projected to be in good demand and competitive within its local market. Effective age is one year with a remaining economic life of 59 years, assuming proper management and maintenance.

The appraiser inspected the subject's interior and exterior.

A summary of the subject's individual and aggregate room and unit counts is presented on the following page.

Floor	Line A # Rms
0	
1	6
2	4
3	4
4	4
5	4
6	5
Total	27

Total Residential Rooms	27	Avg. Residential Room Size	327	SF
Total Residential Units	6	Avg. Residential Unit Size	1,470	SF
Total Units	6			

ASSESSED VALUE AND REAL ESTATE TAXES

New York City's Department of Finance (DOF) is the agency charged with assessing all real property in New York City. DOF reassesses all real estate (over one million parcels) each year. Income generated from real estate taxes is the top source of revenue for the City, currently comprising over 40% of the City's revenue. As a result, real estate taxes are a major factor to account for in the sale/purchase, and leasing of real estate. Furthermore, the City offers numerous real estate tax benefit programs that builders, developers, purchasers, landlords, and tenants need to be aware of in considering any transaction.

Unlike most jurisdictions around the country, New York City reassesses every property on an annual basis and adheres to a strict and consistent calendar for publication of its assessment roll. Taxable Status Date: DOF assesses real property as of its status and condition each January 5, also known as the taxable status date. This date is particularly important when assessing properties that are experiencing large vacancies as of January 5 or are in various stages of construction and/or demolition. Since the status and condition of these types of properties are likely to change dramatically over the course of the year, their assessments the following year may experience similarly dramatic changes.

Tentative vs. Final Assessment Dates: Each parcel of real property subject to assessment is identified on the New York City Tax Maps by a specific block and lot number. An individual tax lot may range from multiple buildings to just one residential or commercial unit in a condominium. On January 15, the City publishes tentative assessments for each tax lot. Between January 15 and May 24 the City has the authority to increase or decrease any assessment for any reason. This is called the change by notice period. During this time period taxpayers can also request a review of assessments if they feel such assessments were made due to usage of erroneous factors (i.e., incorrect square footage). Any changes to the tentative assessment made during this time must be sent to the taxpayer, in writing. The assessment roll closes on May 25 of each year, at which time the final assessment roll is published. This final assessment is the one upon which a taxpayer's property tax bill is based and the one from which any challenge to the assessment will arise.

The subject property is identified by the City of New York as Block 1038, Lot 11. The New York City Department of Finance uses an assessment ratio of 45.00% for Class 2A properties. For example, a property that Finance estimates to be worth $1,000,000 would have an assessed value of $450,000. However, due to a variety of reasons, in many cases the assessments actually applied are lower than this ratio would indicate.

State law mandates that except where brought about by a physical change in the property, increases in real estate tax assessments for Class 2A residential properties (4 to 6 units) cannot exceed 8% per year or 30% over five years. Unlike Class 2 and Class 4 properties, reassessments of these properties are not phased in over five years (i.e. there are technically no transitional assessments). The subject property's total assessments for the latest available year (2022/2023) and the four previous years are as follows:

Year	Assessment	Land	Total
2022/2023	Actual AV	$155,393	$668,327
2021/2022	Actual AV	$132,188	$624,628
2020/2021	Actual AV	$116,519	$578,360
2019/2020	Actual AV	$113,462	$578,359
2018/2019	Actual AV	$117,058	$553,644

TAX RATE HISTORY: CLASS II PROPERTIES	
2017/2018	12.7190%
2018/2019	12.6120%
2019/2020	12.4730%
2020/2021	12.2670%
2021/2022	12.2670%

The subject is currently taxes as a Class 2C. Upon completion of the pending expansion, renovation, and reclassification as a condominium building we anticipate the subject to be taxed as a Class 2A. The 2022/2023 tax rate for Class 2A properties is approximately $12.24 per $100 of the assessed value. Current tax liability for the property based on the subject's assessed value amounts to $81,770 (12.2350% x $668,327).

The subject's Actual Assessed Value of $668,327 equates to an assessed value per square foot of $68.20 ($668,327 ÷ 9,800 square feet). On a per unit basis, this assessment equates to $111,388 per unit. We note that the subject property is pending expansion and renovation and reclassification as a condominium building. Since the Department of Finance will not reflect the property value increase attributable to this pending work for a period of at least 16 months, we have conducted a survey of real estate tax comparables in order to estimate the projected increase in real estate taxes. We have reviewed five real estate tax comparables consisting of similar elevator multi-family buildings within close proximity to the subject property. The comparables range in size from 6,476 ft.^{2} to 13,427 ft.^{2} and contain between 5 and 6 units. The comparable properties surveyed reflect assessed values ranging from $82.45/SF to $94.08/SF, with mean and median assessments of $88.52 and $89.90 per square foot, respectively. The subject's assessed value per square foot of $68 associates below the bottom of the comparable range. On an assessed value per unit basis, the comparables range from $121,852 to $187,974 per unit and reflect mean and median values of $152,785 and $139,530 per unit, respectively. The subject's assessed value per unit amounts to $111,388 which likewise relates below the bottom of the comparable range. Based on the subject's anticipated expansion, renovation, and the quality of finish, we project that the subject's assessed value will increase to $90.00 per SF. Multiplying this by the subject's gross building area of 9,800 ft.^{2} yields a projected assessed value of $882,000. Applying the Class 2A tax rate of 12.2350% results in projected taxes of $107,913. We have utilized this projection within our estimate of the subject's projected net operating income. Our real estate tax comparables are presented on the following page.

MODIFIED REAL ESTATE TAXES: $107,913

Tax Assessment Comparables

BLOCK	LOT	YEAR4	CURAVT_A	TXCL	BLDGCL	OWNER	HNUM_LO	STR_NAME	ZIP	TOT_UNIT	RES_UNIT	STORY	LND_AREA	GR_SQFT	ZONING	YRB	YRA1	YRA2	AV/SF
700	53	2021	$1,107,000	2A	D3	W29 534 HIGHLINE OWNERS LLC	534	WEST 29 ST	10001	6	6	9	2,469	13,427	C6-3	2017			$82.45
1948	23	2021	$837,180	2A	D3	BRITTBRAN REALTY, INC	313	WEST 121 ST	10027	6	6	8	2,523	9,918	R7A	2016			$84.41
1063	31	2021	$939,870	2A	D3	805 NINTH AVENUE REALTY GROUP, LLC	805	9 AVENUE	10019	6	5	6	2,500	10,455	R8	2015			$89.90
1199	20	2021	$650,342	2A	D3	HELEN HART	35	WEST 85 ST	10024	5	5	5	2,043	7,087	R8B	1900			$91.77
1122	21	2021	$609,259	2A	D1	FAIRFIELD POND PARTNERS LLC	23	WEST 69 ST	10023	5	5	5	2,010	6,476	R8B	1900			$94.08

Mean	$88.52
Median	$89.90
Min.	$82.45
Max.	$94.08
Selected AV	$90.00

BLOCK	LOT	YEAR4	CURAVT_A	TXCL	BLDGCL	OWNER	HNUM_LO	STR_NAME	ZIP	TOT_UNIT	RES_UNIT	STORY	LND_AREA	GR_SQFT	ZONING	YRB	YRA1	YRA2	AV/SF
1038	11	2022	$668,327	2A		Midtown West 47 St LLC	343	West 47th Street	10036	6	6	6	2,526	9,800	R8	1920			$68.20

Estimated Taxes	$882,000	x	12.235%	=	$107,913

VALUATION OVERVIEW

HIGHEST AND BEST USE ANALYSIS

Before proceeding with the specific valuation techniques employed to appraise the subject property, it is necessary to set the proper context by first considering the highest and best use (or uses) of the property.

Highest and Best Use as Though Vacant:

Highest and best use of land or a site as though vacant is defined as: "Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements."

The highest and best use must be legally permissible, physically possible, financially feasible and maximally productive.

In accordance with the regulations of the subject's R8 (residential) zoning as detailed in the City of New York zoning code, the legally permissible development of the site as though vacant would be for a multi-family condominium building with a gross building area of up to 15,207± square feet (based on FAR requirements alone, net of any allowable FAR deductions). It is the appraiser's opinion that, if the site were vacant, development of the site with such an improvement in compliance and conformance with the zoning district would be financially feasible and yield the highest net return to the land.

An alternative to typical R8 development is community facility use. The zoning code recognizes certain types of uses that serve the general welfare as community facilities. Examples of community facilities include schools, libraries, museums, college dormitories, nursing homes and residential facilities for special needs populations, houses of worship, community centers, hospitals, ambulatory health care facilities (i.e. medical offices), and other facilities without sleeping accommodations. Assuming community facility development, a building consisting of 16,419 square feet (based on FAR requirements alone, net of any allowable FAR deductions) would be allowed.

Highest and Best Use as Improved:

It is the appraiser's opinion that substantial modification of the existing improvement would result in a higher net value return than is currently being achieved. The subject property, as modified, would be in conformance and compliance with current zoning requirements. It is clear that while the existing improvements add value to the land, further development of the site closer to its maximum FAR potential would lend even greater value. The highest and best use as improved is thus to substantially modify and expand the existing 4-family dwelling to a 6-unit multifamily condominium building.

VALUATION PROCESS:

The subject property consists of a vacant four-story 5,272 square foot four-family dwelling pending gut renovation and expansion into a six-story plus cellar, 9,800 square foot elevator multi-family condominium building which will contain six residential units with a total of 27 rooms.

Given that the objective of this assignment is to form an opinion of the "as is" and "as completed/stabilized" market value(s) of the property, both the Sales Comparison and Income Approaches will be given consideration in this analysis. Based on the nature of the subject property and scope of this assignment, the appraiser did not use the Cost Approach to value. This approach is not generally considered primarily meaningful in appraising a property of this type and age.

SALES COMPARISON APPROACH

SALES COMPARISON APPROACH

This approach involves direct comparisons between the subject property and similar properties that have been sold in the same or in similar markets, in order to derive a market value indication. The approach represents an interpretation of the actions of buyers, sellers, and investors in the market, and is based upon the principle of substitution, which holds that a prudent person will not pay more to buy a property than it will cost to buy a comparable substitute property. The price paid for a property is usually the result of an extensive shopping process in which available alternatives are compared, based upon the buyer's purchase criteria. When a sufficient number of similar property purchases are made in the current market, the resulting pattern usually provides a good indication of market value.

In applying the Sales Comparison Approach, the appraiser employs the following five steps:

1. Research of the market to identify similar properties for which pertinent sales, listings, offerings, and/or rental data is available.

2. Qualification of the prices as to terms, motivating forces, and bona fide nature.

3. Comparison of important attributes (i.e. property rights conveyed, conditions of sale, financing, time, location, size, age/condition/quality, and miscellaneous considerations) between the comparable sales and the subject property.

4. Consideration of all dissimilarities and their probable effect on the price of each comparable sale to derive individual market value indications for the property being appraised.

5. From the pattern developed, formulation of an indication of market value for the property being appraised.

SALES COMPARISON APPROACH

TWO-BEDROOM CONDOMINIUM UNITS

In order to derive a market-supported value indication for the two-bedroom condominium units, we have analyzed recent sales of comparable properties within the subject's vicinity. Our findings are presented and discussed in the following pages. For the purpose of developing a reliable comparison, we have analyzed all sales on a price per SF basis.

A summary of these sales is presented below. On the following pages, we develop detailed descriptions of each sale utilized.

Comparable Sales Summary

	Address	No. Units	Date	Sale Price	Price/SF	Price/Unit
1	520 W 45th St #3a, NY	18	4/20/2022	$2,085,000	$1,488	$115,833
2	520 W 45th St #5D, NY	18	4/8/2022	$2,210,000	$1,825	$122,778
3	406 W 45th St #1B, NY	21	9/23/2021	$2,450,000	$1,394	$116,667
4	318-320 W 52nd St #3H, NY	30	12/20/2021	$2,268,000	$1,713	$75,600


Hells Kitchen
520 W 45th St, New York...
#3A
520 W 45th St, New York...
#5D
343 W 47th St, New York...
SUBJECT
318-320 W 52nd St, New...
#3H
406 W 45th St, New York...
#1B
Manhattan
New York
10th Ave
9th
8th Ave
7th Ave
Broadway
Dyer Ave
W 47th St
W 43rd St
W 42nd St
W 41st St
W 39th St
W 38th St
495

SALES MAP

Comparable Sale #1

Location:	520 W 45th St #3a, NY
Block/Lot:	1073-1307
Grantor:	Berkowitz, Ellen
Grantee:	Cuthbert, Daniel and Gao, Yiming
Date of Sale:	4/20/2022
Sale Price:	$2,085,000
Interest Conveyed:	Fee Simple
Financing:	All cash to seller.
Site Description	
Size:	7,213 SF
Shape:	Rectangular
Utilities:	All available
Easements:	None noted
Topography:	The site is level with street grade. No flood issues noted.
Zoning:	R8, C2-5
Floor Area Ratio:	0.19
Property Description:	1,401 square foot unit located within a five-story elevator condominium building (constructed circa 1905) which contains 18 units.
Occupancy:	100.00%
Distance from Subject:	0.32 miles
Price per Unit:	$115,833
Price per Sq. Foot:	$1,488
Comments:	There are no discernable amenities. Though the last renovation date has not been reported the appraisers have reviewed interior pictures of this comparable and believe it has been renovated in the recent past.

Comparable Sale #1 Photo

Comparable Sale #2

Location:	520 W 45th St #5D, NY
Block/Lot:	1073-1318
Grantor:	Miyata, Nikko and Wu, Theresa
Grantee:	Arber Kornowski, Dorian A
Date of Sale:	4/8/2022
Sale Price:	$2,210,000
Interest Conveyed:	Fee Simple
Financing:	All cash to seller.
Site Description	
Size:	7,213 SF
Shape:	Rectangular
Utilities:	All available
Easements:	None noted
Topography:	The site is level with street grade. No flood issues noted.
Zoning:	R8, C2-5
Floor Area Ratio:	0.17
Property Description:	1,211 square foot unit located within a five-story elevator condominium building (constructed circa 1905) which contains 18 units.
Occupancy:	100.00%
Distance from Subject:	0.32 miles
Price per Unit:	$122,778
Price per Sq. Foot:	$1,825
Comments:	There are no discernable amenities. Though the last renovation date has not been reported the appraisers have reviewed interior pictures of this comparable and believe it has been renovated in the recent past.

Comparable Sale #2 Photo

Comparable Sale #3

Location:	406 W 45th St #1B, NY
Block/Lot:	1054-1103
Grantor:	Ganz, Eric M and Jacobs, Neil
Grantee:	Liem, Farah
Date of Sale:	9/23/2021
Sale Price:	$2,450,000
Interest Conveyed:	Fee Simple
Financing:	All cash to seller.
Site Description	
Size:	5,021 SF
Shape:	Rectangular
Utilities:	All available
Easements:	None noted
Topography:	The site is level with street grade. No flood issues noted.
Zoning:	R8
Floor Area Ratio:	0.35
Property Description:	1,758 square foot unit located within a six-story elevator condominium building (constructed circa 1920) which contains 21 units.
Occupancy:	100.00%
Distance from Subject:	0.16 miles
Price per Unit:	$116,667
Price per Sq. Foot:	$1,394
Comments:	There are no discernable amenities. Though the last renovation date has not been reported the appraisers have reviewed interior pictures of this comparable and believe it has been renovated in the recent past.

Comparable Sale #3 Photo

Comparable Sale #4

Location:	318-320 W 52nd St #3H, NY
Block/Lot:	1042-1610
Grantor:	Onaka, Tei and Rhee, Meera
Grantee:	Huddle, Matthew and Zampella, John
Date of Sale:	12/20/2021
Sale Price:	$2,268,000
Interest Conveyed:	Fee Simple
Financing:	All cash to seller.
Site Description	
Size:	18,408 SF
Shape:	Rectangular
Utilities:	All available
Easements:	None noted
Topography:	The site is level with street grade. No flood issues noted.
Zoning:	R8
Floor Area Ratio:	0.07
Property Description:	1,324 square foot unit located within a five-story elevator condominium building (constructed circa 1930) which contains 30 units.
Occupancy:	100.00%
Distance from Subject:	0.22 miles
Price per Unit:	$75,600
Price per Sq. Foot:	$1,713
Comments:	There are no discernable amenities. Though the last renovation date has not been reported the appraisers have reviewed interior pictures of this comparable and believe it has been renovated in the recent past.

Comparable Sale #4 Photo

Adjustments to Comparable Sales

Property Rights Conveyed/Conditions of Sale

This adjustment reflects the type of conveyance (fee simple, leased fee, or leasehold interest) as well as conditions of sale, which may be either arms length, or referee or bank foreclosure and re-conveyance. Where applicable and available, information regarding special financial considerations (such as the 421-a and J-51 tax benefit programs in New York City) specific to a particular sale is considered as well.

Financing

Financing considerations include third-party conventional financing, special financing and seller financing, each of which can affect a property's perceived market value (i.e. the price a typical well-informed buyer would be willing to pay for the property).

Time (Changes in Market Conditions)

An adjustment necessary to reflect changes in market conditions (inflation/deflation, supply/demand) between the time of sale of a comparable property and the date of valuation of the subject, if any such changes are noted.

Location

An adjustment pertaining to location characteristics that affect the desirability, and therefore the value, of a particular property. Locational factors and their significance often vary with the type of property being appraised; for example, factors significant to a residential property are typically quite different than those important to, say, an industrial property. Location characteristics considered may include existing improvements and/or development patterns in the area, view and/or recreational amenities, quality of local schools, proximity to shopping areas, traffic levels, visibility and exposure, the type and quality of municipal services offered, adequacy of public transportation and population trends.

Size

The size of any building is a significant consideration in its valuation due to the correlation between building size and income stream, which impacts profitability. Generally, smaller buildings will be traded in the marketplace at higher prices per unit of measurement than larger ones. Therefore, differing property sizes may require adjustments between the subject property and the comparable sales, depending on whether each one is larger or smaller than the subject.

Age/Condition/Quality

A property's age, condition, and underlying construction quality are possibly the most obvious physical indications of value. This category considers the overall condition of the comparable as well as its functional and aesthetical suitability for its intended use.

Amenities/Miscellaneous

This category includes, but is not limited to, amenities (as relevant to the subject's property type) such as usable cellar/attic space, elevators, doorman service, a laundry room, a workout room, rooftop terraces, on-site parking, and other such features. Other characteristics considered may include ceiling height (for warehouse and industrial buildings in particular), storage sheds or other accessory structures on the site, site shape and topography, zoning regulations, and the like. Where applicable and available, information regarding the sales' rental income levels is reviewed and compared to the subject. In addition, where relevant we analyze the subject's land-to-building area ratio in comparison to the sales', and also consider any excess/surplus land and unused FAR/development rights. Another factor considered is whether the buildings are of similar story heights (e.g. for certain building types, one-story buildings generally tend to be more valuable than multi-story buildings with the same total floor area).

Adjustment Grid

The adjustment grid on the following page is utilized to illustrate the comparative factors judged to be of significance by the appraisers. The adjustments are stated in percent relationship and are made from the perspective of the subject property to the comparable. Therefore, a positive (+) adjustment indicates that the subject is judged to be superior to the comparable in a particular adjustment category, while a negative (-) adjustment indicates that the subject has been judged to be inferior as it relates to the comparable. Where no adjustment is made, this indicates that the appraisers have judged that the degree of difference between the subject and the comparable does not warrant one.

The adjustments made to each comparable are totaled to arrive at a net adjustment, which is then added to a factor of 1 for multiplication purposes. The resulting adjustment factor is then applied to the respective time adjusted per unit price to arrive at an indicated value for the subject property.

Comparable Sales Grid

	Address	Date	No. Units	Year Built	Sale Price	Area SF	Distance From Subj.	$/SF	Prop. Rts/Cd of Sale	Adj. Price/ SF	Finan- cing	Adj. Price/ SF	Time	Adj. Price/ SF	Location	Size	Age/ Cond./ Quality	Adj. Misc.	Tot. Adj.	Adj. Price/ SF
	Subject:	7/14/2023	4	1920		5,400														
1	520 W 45th St #3a	4/20/2022	18	1905	$2,085,000	1,401	0.3	$1,488.22	$0	$1,488.22	$0	$1,488.22	6.2%	$1,579.96	0.0%	0.0%	5.0%	0.0%	5.0%	$1,658.96
2	520 W 45th St #5D	4/8/2022	18	1905	$2,210,000	1,211	0.3	$1,824.94	$0	$1,824.94	$0	$1,824.94	6.3%	$1,940.43	0.0%	0.0%	5.0%	0.0%	5.0%	$2,037.46
3	406 W 45th St #1B	9/23/2021	21	1920	$2,450,000	1,758	0.2	$1,393.63	$0	$1,393.63	$0	$1,393.63	9.0%	$1,519.44	0.0%	10.0%	5.0%	0.0%	15.0%	$1,747.35
4	318-320 W 52nd St #3H	12/20/2021	30	1930	$2,268,000	1,324	0.2	$1,712.99	$0	$1,712.99	$0	$1,712.99	7.8%	$1,846.98	0.0%	0.0%	5.0%	0.0%	5.0%	$1,939.33
																		Indic. Val./	**SF**	$1,875.00
	Average		22	1915	$2,253,250	1,424	0.3	$1,605							Adj. Avg.	$1,845.77		**Indic. Value:**		$10,125,000
	Median		20	1913	$2,239,000	1,363	0.3	$1,601							Adj. Median	$1,843.34		**Add./Ded.**		$0
	Min.		18	1905	$2,085,000	1,211	0.2	$1,394							Adj. Min.	$1,658.96		**Adj. Val:**		$10,125,000
	Max.		30	1930	$2,450,000	1,758	0.3	$1,825							Adj. Max.	$2,037.46		**Rounded:**		$10,125,000

EXPLANATION OF ADJUSTMENTS

The selected sales are compared and adjusted relative to the subject property in terms of: (i) Property Rights Conveyed/Condition of Sale; (ii) Financing; (iii) Time; (iv) Location; (v) Size of the property; (vi) Age/Condition/Quality and (vii) Amenities/Miscellaneous.

Property Rights Conveyed/Conditions of Sale

The subject is being appraised on the basis of its Fee Simple interest. The Fee Simple interest was conveyed for all of the comparable sales, which were purchased by owner-users. Owner-users typically pay a premium for their real estate compared to investors, who require a lower purchase price in order to achieve their investment yield expectations. All of the comparable sales appear to be arms-length transactions and thus no adjustments for conditions of sale were necessary.

Financing

Where available, we have reviewed the recorded mortgage instruments at time of conveyance for the comparable sales. To our knowledge, all of the comparable sales were conveyed all cash to seller and thus no adjustments for financing are required.

Time (Changes in Market Condition)

Based on our analysis of the real estate market conditions affecting the comparable sales compared to conditions as of the valuation date, a 5% annual adjustment for time is necessary. It is our opinion that condominium apartment market values within the subject's market area have generally increased overall during the time period since the earliest of the selected comparable sale transactions occurred and that an estimated 5% per year adjustment is appropriate to reflect this trend.

Location

Physical location, with all of its attendant characteristics and considerations, directly influences the value of any property. The subject property is located along the north side of West 47th Street, between 8th Avenue and 9th Avenue. All of the comparable sales were observed to be similar to the subject property in terms of location and did not require adjustment.

Size

The subject will contain four 1,350 square foot two-bedroom units with a combined total of 5,400 square feet. Each of the comparable sales has been adjusted based on the similarity or dissimilarity in size to the subject property. Sales Nos. 1, 2 and 4 are all relatively close in size compared to the subject property and did not require adjustment. Sale No. 3 is significantly larger than the subject and was thus adjusted upward to account for the subject's smaller size and higher relative value per area unit.

Age/Condition/Quality

All of the comparable sales are deemed inferior to the subject with respect to age and condition, and were consequently adjusted upward.

Amenities/Miscellaneous

No miscellaneous adjustments were necessary.

Sales Comparison Approach Valuation Conclusion

During the course of this analysis, we compared and adjusted the above-mentioned comparable sales to the two-bedroom condominium units in terms of property rights conveyed, conditions of sale, financing, location, size, etc. Each sale was reviewed after adjustment on a price per SF basis of comparison. The adjusted price per SF value indication reflects a range from $1,659 to $2,037. The average value of all sales is $1,846 per SF. Sale No. 4, with a value of $1,939 per square foot, is closest in size to the subject while Sale Nos. 1 and 2, with a range in value of $1,659-$2,037 per square foot, conveyed most recently. In consideration of the above analysis, it is our opinion that the two-bedroom condominium units has a market value of $1,875.00 per SF.

In light of the range of data presented and the current state of the local real estate market, the market value of the two-bedroom condominium units is indicated to be approximately $10,125,000 ($1,875.00/SF x 5,400 square feet), say **$10,125,000**.

SALES COMPARISON APPROACH

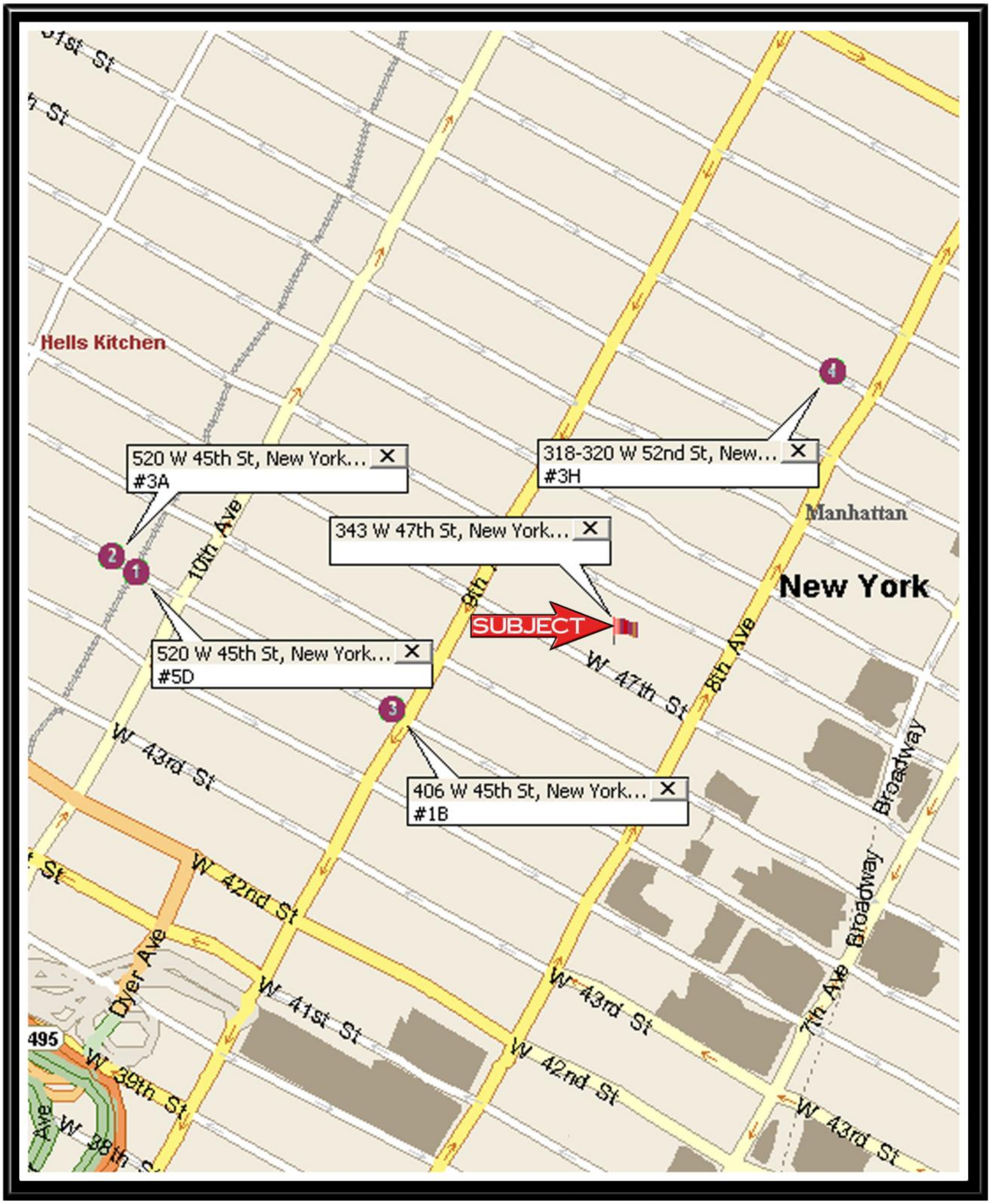
TWO-BEDROOM PH CONDOMINIUM UNIT

In order to derive a market-supported value indication for the two-bedroom PH condominium unit, we have analyzed recent sales of comparable properties within the subject's vicinity. Our findings are presented and discussed in the following pages. For the purpose of developing a reliable comparison, we have analyzed all sales on a price per SF basis.

A summary of these sales is presented below. On the following pages, we develop detailed descriptions of each sale utilized.

Comparable Sales Summary

	Address	No. Units	Date	Sale Price	Price/SF	Price/Unit
1	520 W 45th St #3a, NY	18	4/20/2022	$2,085,000	$1,488	$115,833
2	520 W 45th St #5D, NY	18	4/8/2022	$2,210,000	$1,825	$122,778
3	406 W 45th St #1B, NY	21	9/23/2021	$2,450,000	$1,394	$116,667
4	318-320 W 52nd St #3H, NY	30	12/20/2021	$2,268,000	$1,713	$75,600


Hells Kitchen
520 W 45th St, New York...
#3A
520 W 45th St, New York...
#5D
343 W 47th St, New York...
SUBJECT
318-320 W 52nd St, New...
#3H
406 W 45th St, New York...
#1B
Manhattan
New York
10th Ave
8th Ave
7th Ave
Broadway
Dyer Ave
W 47th St
W 43rd St
W 42nd St
W 41st St
W 39th St
W 38th St
495

SALES MAP

Comparable Sale #1

Location:	520 W 45th St #3a, NY
Block/Lot:	1073-1307
Grantor:	Berkowitz, Ellen
Grantee:	Cuthbert, Daniel and Gao, Yiming
Date of Sale:	4/20/2022
Sale Price:	$2,085,000
Interest Conveyed:	Fee Simple
Financing:	All cash to seller.
Site Description	
Size:	7,213 SF
Shape:	Rectangular
Utilities:	All available
Easements:	None noted
Topography:	The site is level with street grade. No flood issues noted.
Zoning:	R8, C2-5
Floor Area Ratio:	0.19
Property Description:	1,401 square foot unit located within a five-story elevator condominium building (constructed circa 1905) which contains 18 units.
Occupancy:	100.00%
Distance from Subject:	0.32 miles
Price per Unit:	$115,833
Price per Sq. Foot:	$1,488
Comments:	There are no discernable amenities. Though the last renovation date has not been reported the appraisers have reviewed interior pictures of this comparable and believe it has been renovated in the recent past.

Comparable Sale #1 Photo

Comparable Sale #2

Location:	520 W 45th St #5D, NY
Block/Lot:	1073-1318
Grantor:	Miyata, Nikko and Wu, Theresa
Grantee:	Arber Kornowski, Dorian A
Date of Sale:	4/8/2022
Sale Price:	$2,210,000
Interest Conveyed:	Fee Simple
Financing:	All cash to seller.
Site Description	
Size:	7,213 SF
Shape:	Rectangular
Utilities:	All available
Easements:	None noted
Topography:	The site is level with street grade. No flood issues noted.
Zoning:	R8, C2-5
Floor Area Ratio:	0.17
Property Description:	1,211 square foot unit located within a five-story elevator condominium building (constructed circa 1905) which contains 18 units.
Occupancy:	100.00%
Distance from Subject:	0.32 miles
Price per Unit:	$122,778
Price per Sq. Foot:	$1,825
Comments:	There are no discernable amenities. Though the last renovation date has not been reported the appraisers have reviewed interior pictures of this comparable and believe it has been renovated in the recent past.

Comparable Sale #2 Photo

Comparable Sale #3

Location:	406 W 45th St #1B, NY
Block/Lot:	1054-1103
Grantor:	Ganz, Eric M and Jacobs, Neil
Grantee:	Liem, Farah
Date of Sale:	9/23/2021
Sale Price:	$2,450,000
Interest Conveyed:	Fee Simple
Financing:	All cash to seller.
Site Description	
Size:	5,021 SF
Shape:	Rectangular
Utilities:	All available
Easements:	None noted
Topography:	The site is level with street grade. No flood issues noted.
Zoning:	R8
Floor Area Ratio:	0.35
Property Description:	1,758 square foot unit located within a six-story elevator condominium building (constructed circa 1920) which contains 21 units.
Occupancy:	100.00%
Distance from Subject:	0.16 miles
Price per Unit:	$116,667
Price per Sq. Foot:	$1,394
Comments:	There are no discernable amenities. Though the last renovation date has not been reported the appraisers have reviewed interior pictures of this comparable and believe it has been renovated in the recent past.

Comparable Sale #3 Photo

Comparable Sale #4

Location:	318-320 W 52nd St #3H, NY
Block/Lot:	1042-1610
Grantor:	Onaka, Tei and Rhee, Meera
Grantee:	Huddle, Matthew and Zampella, John
Date of Sale:	12/20/2021
Sale Price:	$2,268,000
Interest Conveyed:	Fee Simple
Financing:	All cash to seller.
Site Description	
Size:	18,408 SF
Shape:	Rectangular
Utilities:	All available
Easements:	None noted
Topography:	The site is level with street grade. No flood issues noted.
Zoning:	R8
Floor Area Ratio:	0.07
Property Description:	1,324 square foot unit located within a five-story elevator condominium building (constructed circa 1930) which contains 30 units.
Occupancy:	100.00%
Distance from Subject:	0.22 miles
Price per Unit:	$75,600
Price per Sq. Foot:	$1,713
Comments:	There are no discernable amenities. Though the last renovation date has not been reported the appraisers have reviewed interior pictures of this comparable and believe it has been renovated in the recent past.

Comparable Sale #4 Photo

Adjustments to Comparable Sales

Property Rights Conveyed/Conditions of Sale

This adjustment reflects the type of conveyance (fee simple, leased fee, or leasehold interest) as well as conditions of sale, which may be either arms length, or referee or bank foreclosure and re-conveyance. Where applicable and available, information regarding special financial considerations (such as the 421-a and J-51 tax benefit programs in New York City) specific to a particular sale is considered as well.

Financing

Financing considerations include third-party conventional financing, special financing and seller financing, each of which can affect a property's perceived market value (i.e. the price a typical well-informed buyer would be willing to pay for the property).

Time (Changes in Market Conditions)

An adjustment necessary to reflect changes in market conditions (inflation/deflation, supply/demand) between the time of sale of a comparable property and the date of valuation of the subject, if any such changes are noted.

Location

An adjustment pertaining to location characteristics that affect the desirability, and therefore the value, of a particular property. Locational factors and their significance often vary with the type of property being appraised; for example, factors significant to a residential property are typically quite different than those important to, say, an industrial property. Location characteristics considered may include existing improvements and/or development patterns in the area, view and/or recreational amenities, quality of local schools, proximity to shopping areas, traffic levels, visibility and exposure, the type and quality of municipal services offered, adequacy of public transportation and population trends.

Size

The size of any building is a significant consideration in its valuation due to the correlation between building size and income stream, which impacts profitability. Generally, smaller buildings will be traded in the marketplace at higher prices per unit of measurement than larger ones. Therefore, differing property sizes may require adjustments between the subject property and the comparable sales, depending on whether each one is larger or smaller than the subject.

Age/Condition/Quality

A property's age, condition, and underlying construction quality are possibly the most obvious physical indications of value. This category considers the overall condition of the comparable as well as its functional and aesthetical suitability for its intended use.

Amenities/Miscellaneous

This category includes, but is not limited to, amenities (as relevant to the subject’s property type) such as usable cellar/attic space, elevators, doorman service, a laundry room, a workout room, rooftop terraces, on-site parking, and other such features. Other characteristics considered may include ceiling height (for warehouse and industrial buildings in particular), storage sheds or other accessory structures on the site, site shape and topography, zoning regulations, and the like. Where applicable and available, information regarding the sales’ rental income levels is reviewed and compared to the subject. In addition, where relevant we analyze the subject’s land-to-building area ratio in comparison to the sales’, and also consider any excess/surplus land and unused FAR/development rights. Another factor considered is whether the buildings are of similar story heights (e.g. for certain building types, one-story buildings generally tend to be more valuable than multi-story buildings with the same total floor area).

Adjustment Grid

The adjustment grid on the following page is utilized to illustrate the comparative factors judged to be of significance by the appraisers. The adjustments are stated in percent relationship and are made from the perspective of the subject property to the comparable. Therefore, a positive (+) adjustment indicates that the subject is judged to be superior to the comparable in a particular adjustment category, while a negative (-) adjustment indicates that the subject has been judged to be inferior as it relates to the comparable. Where no adjustment is made, this indicates that the appraisers have judged that the degree of difference between the subject and the comparable does not warrant one.

The adjustments made to each comparable are totaled to arrive at a net adjustment, which is then added to a factor of 1 for multiplication purposes. The resulting adjustment factor is then applied to the respective time adjusted per unit price to arrive at an indicated value for the subject property.

Comparable Sales Grid

	Address	Date	No. No. Units	Year Built	Sale Price	Area SF	Distance From Subj.	$/SF	Prop. Rts/Cd of Sale	Adj. Price/ SF	Finan-cing	Adj. Price/ SF	Time	Adj. Price/ SF	Location	Size	Age/ Cond./ Quality	Adj. Misc.	Tot. Adj.	Adj. Price/ SF
	Subject:	7/14/2023	1	1920		1,350														
1	520 W 45th St #3a	4/20/2022	18	1905	$2,085,000	1,401	0.3	$1,488.22	$0	$1,488.22	$0	$1,488.22	6.2%	$1,579.96	0.0%	0.0%	5.0%	8.0%	13.0%	$1,785.36
2	520 W 45th St #5D	4/8/2022	18	1905	$2,210,000	1,211	0.3	$1,824.94	$0	$1,824.94	$0	$1,824.94	6.3%	$1,940.43	0.0%	0.0%	5.0%	8.0%	13.0%	$2,192.69
3	406 W 45th St #1B	9/23/2021	21	1920	$2,450,000	1,758	0.2	$1,393.63	$0	$1,393.63	$0	$1,393.63	9.0%	$1,519.44	0.0%	10.0%	5.0%	8.0%	23.0%	$1,868.91
4	318-320 W 52nd St #3H	12/20/2021	30	1930	$2,268,000	1,324	0.2	$1,712.99	$0	$1,712.99	$0	$1,712.99	7.8%	$1,846.98	0.0%	0.0%	5.0%	8.0%	13.0%	$2,087.09
																		Indic. Val./	**SF**	$2,000.00
	Average		22	1915	$2,253,250	1,424	0.3	$1,605							Adj. Avg.	$1,983.51		**Indic. Value:**		$2,700,000
	Median		20	1913	$2,239,000	1,363	0.3	$1,601							Adj. Median	$1,978.00		**Add./Ded.**		$0
	Min.		18	1905	$2,085,000	1,211	0.2	$1,394							Adj. Min.	$1,785.36		**Adj. Val:**		$2,700,000
	Max.		30	1930	$2,450,000	1,758	0.3	$1,825							Adj. Max.	$2,192.69		**Rounded:**		$2,700,000

EXPLANATION OF ADJUSTMENTS

The selected sales are compared and adjusted relative to the subject property in terms of: (i) Property Rights Conveyed/Condition of Sale; (ii) Financing; (iii) Time; (iv) Location; (v) Size of the property; (vi) Age/Condition/Quality and (vii) Amenities/Miscellaneous.

Property Rights Conveyed/Conditions of Sale

The subject is being appraised on the basis of its Fee Simple interest. The Fee Simple interest was conveyed for all of the comparable sales, which were purchased by owner-users. Owner-users typically pay a premium for their real estate compared to investors, who require a lower purchase price in order to achieve their investment yield expectations. All of the comparable sales appear to be arms-length transactions and thus no adjustments for conditions of sale were necessary.

Financing

Where available, we have reviewed the recorded mortgage instruments at time of conveyance for the comparable sales. To our knowledge, all of the comparable sales were conveyed all cash to seller and thus no adjustments for financing are required.

Time (Changes in Market Condition)

Based on our analysis of the real estate market conditions affecting the comparable sales compared to conditions as of the valuation date, a 5% annual adjustment for time is necessary. It is our opinion that condominium apartment market values within the subject’s market area have generally increased overall during the time period since the earliest of the selected comparable sale transactions occurred and that an estimated 5% per year adjustment is appropriate to reflect this trend.

Location

Physical location, with all of its attendant characteristics and considerations, directly influences the value of any property. The subject property is located along the north side of West 47th Street, between 8th Avenue and 9th Avenue. All of the comparable sales were observed to be similar to the subject property in terms of location and did not require adjustment.

Size

The subject will contain a single 1,350 square feet two-bedroom PH unit. Each of the comparable sales has been adjusted based on the similarity or dissimilarity in size to the subject property. Sales Nos. 1, 2 and 4 are all relatively close in size compared to the subject property and did not require adjustment. Sale No. 3 is significantly larger than the subject and was thus adjusted upward to account for the subject's smaller size and higher relative value per area unit.

Age/Condition/Quality

All of the comparable sales are deemed inferior to the subject with respect to age and condition, and were consequently adjusted upward.

Amenities/Miscellaneous

Since the subject's unit will benefit from private rooftop space, we have applied a positive adjustment.

Sales Comparison Approach Valuation Conclusion

During the course of this analysis, we compared and adjusted the above-mentioned comparable sales to the two-bedroom PH condominium unit in terms of property rights conveyed, conditions of sale, financing, location, size, etc. Each sale was reviewed after adjustment on a price per SF basis of comparison. The adjusted price per SF value indication reflects a range from $1,785 to $2,193. The average value of all sales is $1,984 per SF. Sale No. 4, with a value of $2,087 per square foot, is closest in size to the subject while Sale Nos. 1 and 2, with a range in value of $1,785-$2,193 per square foot, conveyed most recently. In consideration of the above analysis, it is our opinion that the two-bedroom PH condominium unit has a market value of $2,000.00 per SF.

In light of the range of data presented and the current state of the local real estate market, the market value of the two-bedroom PH condominium unit is indicated to be approximately $2,700,000 ($2,000.00/SF x 1,350 square feet), say **$2,700,000**.

SALES COMPARISON APPROACH

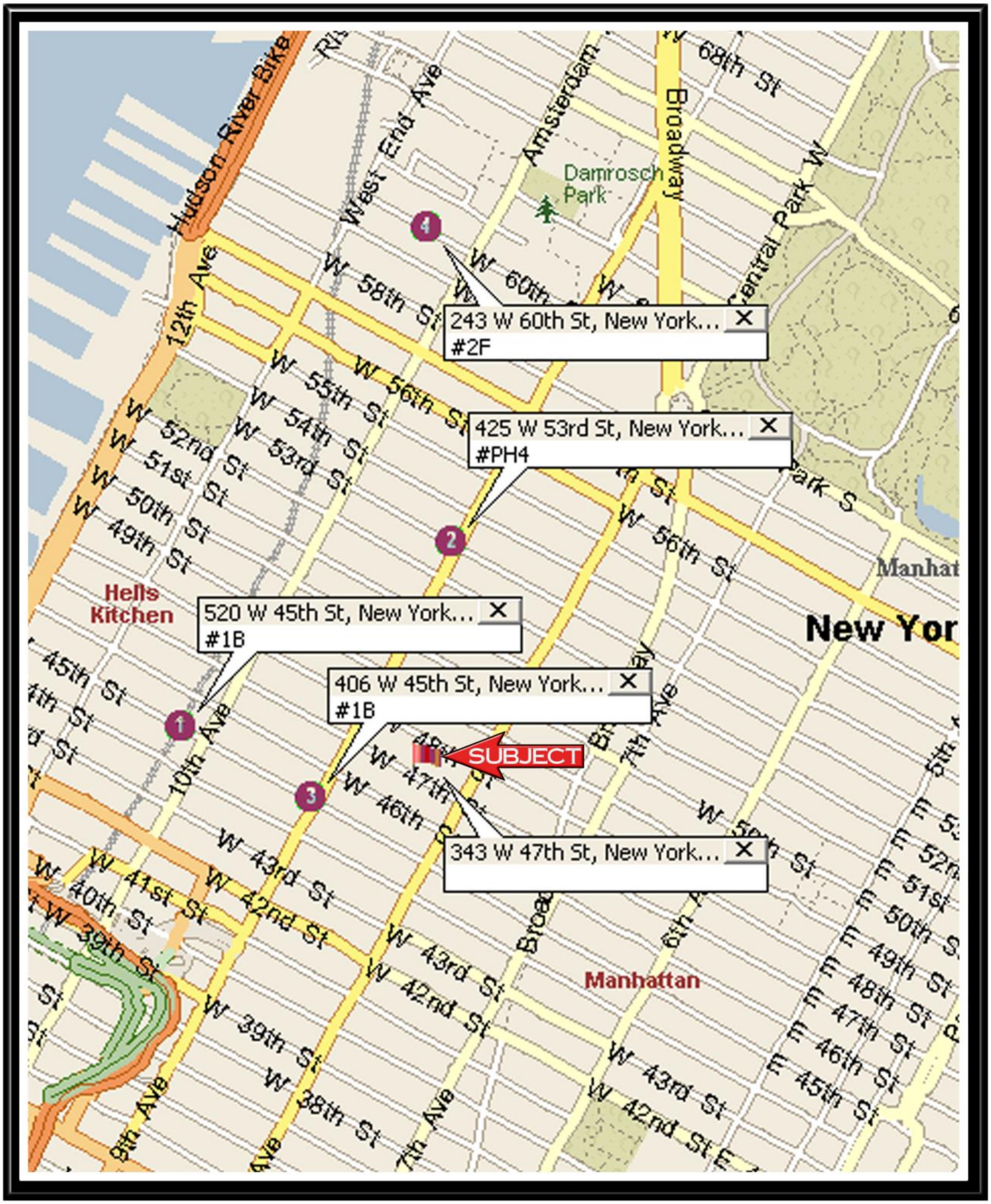
TWO-BEDROOM DUPLEX CONDOMINIUM UNIT

In order to derive a market-supported value indication for the two-bedroom duplex condominium unit, we have analyzed recent sales of comparable properties within the subject's vicinity. Our findings are presented and discussed in the following pages. For the purpose of developing a reliable comparison, we have analyzed all sales on a price per SF basis.

A summary of these sales is presented below. On the following pages, we develop detailed descriptions of each sale utilized.

Comparable Sales Summary

	Address	No. Units	Date	Sale Price	Price/SF	Price/Unit
1	520 W 45th St #1B, NY	18	5/27/2021	$2,960,000	$1,450	$164,444
2	425 W 53rd St #PH4, NY	83	4/22/2022	$2,850,000	$1,537	$34,337
3	406 W 45th St #1B, NY	21	9/23/2021	$2,450,000	$1,394	$116,667
4	243 W 60th St #2F, NY	40	10/28/2020	$2,300,000	$1,344	$57,500


243 W 60th St, New York…
#2F
425 W 53rd St, New York…
#PH4
520 W 45th St, New York…
#1B
406 W 45th St, New York…
#1B
343 W 47th St, New York…
SUBJECT
Hells Kitchen
Damrosch Park
Manhattan
New Yor
Hudson River Bike
12th Ave
10th Ave
9th Ave
7th Ave
West End Ave
Amsterdam
Broadway
Central Park W
W 58th St
W 56th St
W 55th St
W 54th St
W 53rd St
W 52nd St
W 51st St
W 50th St
W 49th St
W 60th
W 43rd St
W 42nd St
W 41st St
W 40th St
W 39th St
W 38th St
W 46th
W 47th
6th Ave
5th

SALES MAP

Comparable Sale #1

Location:	520 W 45th St #1B, NY
Block/Lot:	1073-1302
Grantor:	Stone, Jerry
Grantee:	Pepper, Spencer and Pepper, Zoe
Date of Sale:	5/27/2021
Sale Price:	$2,960,000
Interest Conveyed:	Fee Simple
Financing:	All cash to seller.
Site Description	
Size:	7,213 SF
Shape:	Rectangular
Utilities:	All available
Easements:	None noted
Topography:	The site is level with street grade. No flood issues noted.
Zoning:	R8, C2-5
Floor Area Ratio:	0.28
Property Description:	2,042 square foot unit located within a five-story elevator condominium building (constructed circa 1905) which contains 18 units.
Occupancy:	100.00%
Distance from Subject:	0.32 miles
Price per Unit:	$164,444
Price per Sq. Foot:	$1,450
Comments:	There are no discernable amenities. Though the last renovation date has not been reported the appraisers have reviewed interior pictures of this comparable and believe it has been renovated in the recent past.

Comparable Sale #1 Photo

Comparable Sale #2

Location:	425 W 53rd St #PH4, NY
Block/Lot:	1063-1169
Grantor:	Jennifer, Ashton
Grantee:	Goldstein, Henry and Podolsky-Goldstein, Karyle
Date of Sale:	4/22/2022
Sale Price:	$2,850,000
Interest Conveyed:	Fee Simple
Financing:	All cash to seller.
Site Description	
Size:	34,780 SF
Shape:	Rectangular
Utilities:	All available
Easements:	None noted
Topography:	The site is level with street grade. No flood issues noted.
Zoning:	C6-2
Floor Area Ratio:	0.05
Property Description:	1,854 square foot unit located within a seven-story elevator condominium building (constructed circa 2007) which contains 83 units.
Occupancy:	100.00%
Distance from Subject:	0.32 miles
Price per Unit:	$34,337
Price per Sq. Foot:	$1,537
Comments:	There are no discernable amenities. Though the last renovation date has not been reported the appraisers have reviewed interior pictures of this comparable and believe it has been renovated in the recent past.

Comparable Sale #2 Photo

Comparable Sale #3

Location:	406 W 45th St #1B, NY
Block/Lot:	1054-1103
Grantor:	Ganz, Eric M and Jacobs, Neil
Grantee:	Liem, Farah
Date of Sale:	9/23/2021
Sale Price:	$2,450,000
Interest Conveyed:	Fee Simple
Financing:	All cash to seller.
Site Description	
Size:	5,021 SF
Shape:	Rectangular
Utilities:	All available
Easements:	None noted
Topography:	The site is level with street grade. No flood issues noted.
Zoning:	R8
Floor Area Ratio:	0.35
Property Description:	1,758 square foot unit located within a six-story elevator condominium building (constructed circa 1920) which contains 21 units.
Occupancy:	100.00%
Distance from Subject:	0.16 miles
Price per Unit:	$116,667
Price per Sq. Foot:	$1,394
Comments:	There are no discernable amenities. Though the last renovation date has not been reported the appraisers have reviewed interior pictures of this comparable and believe it has been renovated in the recent past.

Comparable Sale #3 Photo

Comparable Sale #4

Location:	243 W 60th St #2F, NY
Block/Lot:	1152-1111
Grantor:	Li, Yelin and Wen, Jason and Wen, Yelin
Grantee:	Fajardo Ruiz, Juliette M and Whitney, Ryan David
Date of Sale:	10/28/2020
Sale Price:	$2,300,000
Interest Conveyed:	Fee Simple
Financing:	All cash to seller.
Site Description	
Size:	5,021 SF
Shape:	Rectangular
Utilities:	All available
Easements:	None noted
Topography:	The site is level with street grade. No flood issues noted.
Zoning:	C6-2
Floor Area Ratio:	0.34
Property Description:	1,711 square foot unit located within a nine-story elevator condominium building (constructed circa 2007) which contains 40 unit.
Occupancy:	100.00%
Distance from Subject:	0.74 miles
Price per Unit:	$57,500
Price per Sq. Foot:	$1,344
Comments:	There are no discernable amenities. Though the last renovation date has not been reported the appraisers have reviewed interior pictures of this comparable and believe it has been renovated in the recent past.

Comparable Sale #4 Photo

Adjustments to Comparable Sales

Property Rights Conveyed/Conditions of Sale

This adjustment reflects the type of conveyance (fee simple, leased fee, or leasehold interest) as well as conditions of sale, which may be either arms length, or referee or bank foreclosure and re-conveyance. Where applicable and available, information regarding special financial considerations (such as the 421-a and J-51 tax benefit programs in New York City) specific to a particular sale is considered as well.

Financing

Financing considerations include third-party conventional financing, special financing and seller financing, each of which can affect a property's perceived market value (i.e. the price a typical well-informed buyer would be willing to pay for the property).

Time (Changes in Market Conditions)

An adjustment necessary to reflect changes in market conditions (inflation/deflation, supply/demand) between the time of sale of a comparable property and the date of valuation of the subject, if any such changes are noted.

Location

An adjustment pertaining to location characteristics that affect the desirability, and therefore the value, of a particular property. Locational factors and their significance often vary with the type of property being appraised; for example, factors significant to a residential property are typically quite different than those important to, say, an industrial property. Location characteristics considered may include existing improvements and/or development patterns in the area, view and/or recreational amenities, quality of local schools, proximity to shopping areas, traffic levels, visibility and exposure, the type and quality of municipal services offered, adequacy of public transportation and population trends.

Size

The size of any building is a significant consideration in its valuation due to the correlation between building size and income stream, which impacts profitability. Generally, smaller buildings will be traded in the marketplace at higher prices per unit of measurement than larger ones. Therefore, differing property sizes may require adjustments between the subject property and the comparable sales, depending on whether each one is larger or smaller than the subject.

Age/Condition/Quality

A property's age, condition, and underlying construction quality are possibly the most obvious physical indications of value. This category considers the overall condition of the comparable as well as its functional and aesthetical suitability for its intended use.

Amenities/Miscellaneous

This category includes, but is not limited to, amenities (as relevant to the subject's property type) such as usable cellar/attic space, elevators, doorman service, a laundry room, a workout room, rooftop terraces, on-site parking, and other such features. Other characteristics considered may include ceiling height (for warehouse and industrial buildings in particular), storage sheds or other accessory structures on the site, site shape and topography, zoning regulations, and the like. Where applicable and available, information regarding the sales' rental income levels is reviewed and compared to the subject. In addition, where relevant we analyze the subject's land-to-building area ratio in comparison to the sales', and also consider any excess/surplus land and unused FAR/development rights. Another factor considered is whether the buildings are of similar story heights (e.g. for certain building types, one-story buildings generally tend to be more valuable than multi-story buildings with the same total floor area).

Adjustment Grid

The adjustment grid on the following page is utilized to illustrate the comparative factors judged to be of significance by the appraisers. The adjustments are stated in percent relationship and are made from the perspective of the subject property to the comparable. Therefore, a positive (+) adjustment indicates that the subject is judged to be superior to the comparable in a particular adjustment category, while a negative (-) adjustment indicates that the subject has been judged to be inferior as it relates to the comparable. Where no adjustment is made, this indicates that the appraisers have judged that the degree of difference between the subject and the comparable does not warrant one.

The adjustments made to each comparable are totaled to arrive at a net adjustment, which is then added to a factor of 1 for multiplication purposes. The resulting adjustment factor is then applied to the respective time adjusted per unit price to arrive at an indicated value for the subject property.

Comparable Sales Grid

	Address	Date	No. No. Units	Year Built	Sale Price	Area SF	Distance From Subj.	$/SF	Prop. Rts/Cd of Sale	Adj. Price/ SF	Finan- cing	Adj. Price/ SF	Time	Adj. Price/ SF	Location	Size	Age/ Cond./ Quality	Adj. Misc.	Tot. Adj.	Adj. Price/ SF
	Subject:	7/14/2023	1	1920		2,150														
1	520 W 45th St #1B	5/27/2021	18	1905	$2,960,000	2,042	0.3	$1,449.56	$0	$1,449.56	$0	$1,449.56	10.7%	$1,604.05	0.0%	0.0%	5.0%	0.0%	5.0%	$1,684.25
2	425 W 53rd St #PH4	4/22/2022	83	2007	$2,850,000	1,854	0.3	$1,537.22	$0	$1,537.22	$0	$1,537.22	6.1%	$1,631.56	0.0%	-5.0%	5.0%	0.0%	0.0%	$1,631.56
3	406 W 45th St #1B	9/23/2021	21	1920	$2,450,000	1,758	0.2	$1,393.63	$0	$1,393.63	$0	$1,393.63	9.0%	$1,519.44	0.0%	-5.0%	5.0%	0.0%	0.0%	$1,519.44
4	243 W 60th St #2F	10/28/2020	40	2007	$2,300,000	1,711	0.7	$1,344.24	$0	$1,344.24	$0	$1,344.24	13.5%	$1,526.36	0.0%	-5.0%	5.0%	0.0%	0.0%	$1,526.36
																		Indic. Val./	**SF**	$1,625.00
	Average		41	1960	$2,640,000	1,841	0.4	$1,431							Adj. Avg.	$1,590.40		**Indic. Value:**		$3,493,750
	Median		31	1964	$2,650,000	1,806	0.3	$1,422							Adj. Median	$1,578.96		**Add./Ded.**		$0
	Min.		18	1905	$2,300,000	1,711	0.2	$1,344							Adj. Min.	$1,519.44		**Adj. Val:**		$3,493,750
	Max.		83	2007	$2,960,000	2,042	0.7	$1,537							Adj. Max.	$1,684.25		**Rounded:**		$3,500,000

EXPLANATION OF ADJUSTMENTS

The selected sales are compared and adjusted relative to the subject property in terms of: (i) Property Rights Conveyed/Condition of Sale; (ii) Financing; (iii) Time; (iv) Location; (v) Size of the property; (vi) Age/Condition/Quality and (vii) Amenities/Miscellaneous.

Property Rights Conveyed/Conditions of Sale

The subject is being appraised on the basis of its Fee Simple interest. The Fee Simple interest was conveyed for all of the comparable sales, which were purchased by owner-users. Owner-users typically pay a premium for their real estate compared to investors, who require a lower purchase price in order to achieve their investment yield expectations. All of the comparable sales appear to be arms-length transactions and thus no adjustments for conditions of sale were necessary.

Financing

Where available, we have reviewed the recorded mortgage instruments at time of conveyance for the comparable sales. To our knowledge, all of the comparable sales were conveyed all cash to seller and thus no adjustments for financing are required.

Time (Changes in Market Condition)

Based on our analysis of the real estate market conditions affecting the comparable sales compared to conditions as of the valuation date, a 5% annual adjustment for time is necessary. It is our opinion that condominium apartment market values within the subject’s market area have generally increased overall during the time period since the earliest of the selected comparable sale transactions occurred and that an estimated 5% per year adjustment is appropriate to reflect this trend.

Location

Physical location, with all of its attendant characteristics and considerations, directly influences the value of any property. The subject property is located along the north side of West 47th Street, between 8th Avenue and 9th Avenue. All of the comparable sales were observed to be similar to the subject property in terms of location and did not require adjustment.

Size

The subject will contain a single 2,150 square feet two-bedroom duplex unit. Each of the comparable sales has been adjusted based on the similarity or dissimilarity in size to the subject property. Sale No. 1 is relatively close in size compared to the subject property and did not require adjustment. Sales Nos. 2, 3 and 4 are all appreciably smaller than the subject and were consequently adjusted downward to account for the subject's larger size and lower relative value per area unit.

Age/Condition/Quality

All of the comparable sales are deemed inferior to the subject with respect to age and condition, and were consequently adjusted upward.

Amenities/Miscellaneous

No miscellaneous adjustments were necessary.

Sales Comparison Approach Valuation Conclusion

During the course of this analysis, we compared and adjusted the above-mentioned comparable sales to the two-bedroom duplex condominium unit in terms of property rights conveyed, conditions of sale, financing, location, size, etc. Each sale was reviewed after adjustment on a price per SF basis of comparison. The adjusted price per SF value indication reflects a range from $1,519 to $1,684. The average value of all sales is $1,590 per SF. Sale No. 1, with a value of $1,684 per square foot, is closest in size to the subject property while Sale No. 2, with a value of $1,632 per square foot, conveyed most recently. In consideration of the above analysis, it is our opinion that the two-bedroom duplex condominium unit has a market value of $1,625.00 per SF.

In light of the range of data presented and the current state of the local real estate market, the market value of the two-bedroom duplex condominium unit is indicated to be approximately $3,493,750 ($1,625.00/SF x 2,150 square feet), say **$3,500,000**.

Gross Sellout Value Conclusion

Thus, the subject's indicated Gross Sellout market value via the Sales Comparison Approach is as follows:

Valuation Premise/Type	Property Type	Interest Appraised	Effective Date of Value	Market/Gross Sellout Value
As Compl/Stabil	two-bedroom condominium units	Fee Simple	July 14, 2023	$10,125,000
As Compl/Stabil	two -bedroom PH condominium unit	Fee Simple	July 14, 2023	$2,700,000
As Compl/Stabil	two -bedroom duplex condominium unit	Fee Simple	July 14, 2023	$3,493,750
			Market/Gross Sellout Value Total	**$16,318,750**
			Rounded	**$16,325,000**

In light of the range of data presented and the current state of the real estate market, the subject's market value is indicated to be approximately $16,318,750. To this value, we must reflect the following:

Base Indication	$16,318,750
Market Value Indication (As Compl/Stabil)	**$16,318,750**
Less Cost to Cure[1]	$7,688,445
Market Value Indication (As Is)	**$8,630,306**
Rounded	**$8,625,000**

We note that the subject property is not currently habitable. Consequently we identified sales of finished condominiums to arrive at the as completed/stabilized market value and applied a cost to cure to arrive at the as-is market value.

Thus, **assuming the aforementioned extraordinary assumptions,** the subject's indicated market values via the Sales Comparison Approach, are as follows:

Valuation Premise/Type	Interest Appraised	Effective Date of Value	Sales Comparison Conclusion
As Is	Fee Simple	July 14, 2022	$8,625,000
As Completed/Stabilized	Fee Simple	July 14, 2023	$16,325,000

[1] This deduction reflects those items detailed in the "Comments on Condition and Functionality" within the Description of the Improvements section of this report.

COST APPROACH

For reasons set forth within the Valuation Overview section of this report, the Cost Approach to value has not been developed in this appraisal.

INCOME APPROACH

In arriving at a value indication via the Income Approach, the following steps are taken:

1. Estimate the annual Potential Gross Income of the property based on the actual leases in effect and/or on comparable rental data.

2. Deduct from Gross Potential Income the estimated loss of income resulting from vacancies and/or non-collections to arrive at an estimate of Effective Gross Income.

3. Estimate the expenses that are anticipated to be incurred in the operations of the property. The total expenses are deducted from Effective Gross Income to arrive at an estimate of net operating income (NOI - income before debt service, income taxes and depreciation).

4. Derive a capitalization rate by reference to the return requirements of the equity and capital (mortgage) markets and/or implied capitalization rates from comparable sale transaction. Utilized the appropriate method(s) of capitalization to convert the NOI into a value indication via direct capitalization. In addition, or alternatively, the income stream may be capitalized using GRM (Gross Rent Multiplier) or DCF (Discounted Cash Flow) analyses.

Analysis of Estimated Income and Expenses

The estimates of income and expenses provided in this appraisal represent a projection of operations for the one-year period commencing with the valuation date (7/14/2023-7/13/2024). Since the subject is wholly vacant, we have estimated our Potential Gross Income projection by applying market rent(s) to the subject as deemed appropriate. Because the subject is exempt from rent regulation, our income estimates for the subject's residential units are based on the application of viable market rent indications.

The appraisers were supplied with a list of proforma operating expenses. In addition, we have conducted a survey of comparable multi-family condominium building operating costs and considered comparative studies of building operating expenses as relevant. We have been guided by such information as well as our independent determination of the reasonableness of these expenses in arriving at our projected expenses for the projection period.

Gross Income Estimate – Residential Units

On the following page we present a rent roll detailing projected monthly rents for the subject's residential apartment units. Please note that for vacant apartments, market rent is typically applied except where limited by rent regulations.

As the subject's apartments are fully exempt from rent regulation, they are eligible to rent at market rates.

Rent Roll Summary

Unit #	Floor	Unit SF	Room Count	Ownership's Projected Monthly Rent (ARMR)	Appraiser's Modified Monthly Rent (AAMMR)	Status	Expiration Date	Appraiser's Projected Monthly Rent (APMR)	Market Rent	Market Rent Less OPMR	Market Rent Less PMR
1 -Duplex	1	2,150	6.00	$14,000	$11,950	VA		$11,950	$11,950	-$2,050	$0
2	2	1,350	4.00	$12,000	$8,775	VA		$8,775	$8,775	-$3,225	$0
3	3	1,350	4.00	$12,000	$8,775	VA		$8,775	$8,775	-$3,225	$0
4	4	1,350	4.00	$12,000	$8,775	VA		$8,775	$8,775	-$3,225	$0
5	5	1,350	4.00	$12,000	$8,775	VA		$8,775	$8,775	-$3,225	$0
PH	6	1,350	5.00	$18,000	$9,450	VA		$9,450	$9,450	-$8,550	$0
Monthly Totals:				**$80,000**	**$56,500**			**$56,500**	**$56,500**	**-$23,500**	**$0**
Annual Totals:				**$960,000**	**$678,000**			**$678,000**	**$678,000**	**-$282,000**	**$0**

Based on the results of our market rental analysis (which is developed in the next section), we consider our market rental projections to be more market reflective than those supplied by ownership. The table on the following page depicts various rent roll statistics by unit type as well as by current status.

Unit Classification	Studio	2-BR	2-BR Penthouse	2-BR Duplex	Total
Rent Controlled					
# of Units	0	0	0	0	0
% of Line Units	0%	0%	0%	0%	0%
Average Modified Actual Rent	$0	$0	$0	$0	$0
Average Projected Rent	$0	$0	$0	$0	$0
Total Modified Actual PGI	$0	$0	$0	$0	$0
Total Projected PGI	$0	$0	$0	$0	$0
% of Modified Actual PGI	0%	0%	0%	0%	0%
% of Projected PGI	0%	0%	0%	0%	0%
Rent Stabilized					
# of Units	0	0	0	0	0
% of Line Units	0%	0%	0%	0%	0%
Average Modified Actual Rent	$0	$0	$0	$0	$0
Average Projected Rent	$0	$0	$0	$0	$0
Total Modified Actual PGI	$0	$0	$0	$0	$0
Total Projected PGI	$0	$0	$0	$0	$0
% of Modified Actual PGI	0%	0%	0%	0%	0%
% of Projected PGI	0%	0%	0%	0%	0%
Exempt					
# of Units	0	0	0	0	0
% of Line Units	0%	0%	0%	0%	0%
Average Modified Actual Rent	$0	$0	$0	$0	$0
Average Projected Rent	$0	$0	$0	$0	$0
Total Modified Actual PGI	$0	$0	$0	$0	$0
Total Projected PGI	$0	$0	$0	$0	$0
% of Modified Actual PGI	0%	0%	0%	0%	0%
% of Projected PGI	0%	0%	0%	0%	0%
Vacant					
# of Units	0	4	1	1	6
% of Line Units	0%	100%	100%	100%	100%
Average Modified Actual Rent	$0	$8,775	$9,450	$11,950	$9,417
Average Projected Rent	$0	$8,775	$9,450	$11,950	$9,417
Total Modified Actual PGI	$0	$35,100	$9,450	$11,950	$56,500
Total Projected PGI	$0	$35,100	$9,450	$11,950	$56,500
% of Modified Actual PGI	0%	62%	17%	21%	100%
% of Projected PGI	0%	62%	17%	21%	100%
Totals					
# of Units	0	4	1	1	6
% of Line Units	0%	100%	100%	100%	100%
Average Modified Actual Rent	$0	$8,775	$9,450	$11,950	$9,417
Average Projected Rent	$0	$8,775	$9,450	$11,950	$9,417
Market Rent	$0	$8,775	$9,450	$11,950	-
Total Modified Actual PGI	$0	$35,100	$9,450	$11,950	$56,500
Total Projected PGI	$0	$35,100	$9,450	$11,950	$56,500
% of Modified Actual PGI	0%	62%	17%	21%	100%
% of Projected PGI	0%	62%	17%	21%	100%

Gross Income Estimate Projection & Conclusion - Residential Units

The average projected rents of the subject's vacant two-bedroom, two-bedroom penthouse and two-bedroom duplex apartments are $8,775, $9,450 and $11,950 per month, respectively. These rents must be compared to our estimated current market rents for two-bedroom, two-bedroom penthouse and two-bedroom duplex units, as developed within our rental survey analysis, of $8,775 ($78.00/SF), $9,450 ($84.00/SF) and $11,950 ($66.75/SF) per month, respectively.

This suggests that the income level is effectively at market with no inherent upside potential. In consideration of the above, the subject's apartments are anticipated to achieve the following Projected annual rents:

Projected Potential Gross Income from Apartment Units		
		Projected
Vacant		$678,000
Total Residential Income		**$678,000**

Market Rental Value Estimate: Residential Income

In order to accurately establish viable market rent level indications, and as a measure of upside or downside income potential, the appraisers have conducted a survey of rentals in the subject's general vicinity. These comparable rentals were selected based upon their similarity to the subject in terms of location, building type, age/style/condition, amenities and other features.

One comment regarding the application for our size adjustment within the rental analysis which follows: Our survey of market rental activity is conducted on a rent per square foot basis. Smaller apartment unit sizes within the subject's market typically rent for more per square foot than their larger counterparts. Consequently, a comparable apartment rental which is smaller than the subject unit is considered superior on a rent per square foot basis and is consequently adjusted downward. The opposite would be true with comparable apartment units which are larger than the subject property which require an upward adjustment to account for their generally lower rent per square foot.

Please note that the bedroom categories contained in the following market rental survey reflect the subject's bedroom count, not the comparable rentals. Our comparable rental search is predicated upon apartments of comparable size to the subject, in terms of square feet, not number of bedrooms. There is no uniformity in the subject's market in regards to unit partitioning, since both a 400 square-foot unit and a 1,200 square-foot unit can be marketed as three bedroom apartments. In order to avoid such market inconsistencies, we have conducted a market rental search on a comparable square-foot basis of comparison.

Comparable Residential Rentals

2-BR Apartments Address	E/W	Monthly Rent	Location Adj.	Age/Cond. /Qual. Adj.	Size Adj.	Misc. Adj.	Adjusted Rent	Est. % Vacancy	Unit Size SF	Dist. from Subj. (miles)	Rent/ SF	No. Baths	Utilities Incl. in Rent	No. Stories	No. Units	Yr. Built/ Renov.
Subject Property		**$12,000**					**$12,000**	**100.00%**	**1,350.0**	**0.00**	**$106.67**	**1.0**	**Water/Sewer**	**6**	**4**	**1920**
15 W 55th St	E	$7,540	0%	5%	0%	-3%	$7,729	0.00%	1,250.0	1.00	$74.19	1.0	Heat/Water/Sewer	9	38	1915
406 W 45th St	E	$7,750	0%	5%	0%	0%	$8,138	0.00%	1,250.0	0.20	$78.12	1.0	Water/Sewer	6	22	1920/2006
517 W 46th St	E	$8,000	0%	5%	0%	0%	$8,400	0.00%	1,236.0	0.30	$81.55	1.0	Water/Sewer	7	45	2006
445 W 50th St	W	$7,925	0%	5%	0%	-3%	$8,123	0.00%	1,300.0	0.30	$74.98	1.0	Heat/Water/Sewer	4	8	1901/1987
Averages	**E**	**$7,804**					**$8,097**	**0.00%**	**1,259.0**	**0.45**	**$77.21**	**1.0**		**6.5**	**28**	**1961**

SUBJECT 2-BR SUMMARY			
Reported Rents	**$/Room**	**$/SF**	**$/Unit**
Min:	$3,000	$106.67	$12,000
Max:	$3,000	$106.67	$12,000
Mean:	$3,000	$106.67	$12,000
Median:	$3,000	$106.67	$12,000
Range:	0%	0%	0%

MARKET RENT 2-BR CONCL.			
	$/Room	**$/SF**	**$/Unit**
Estimate:		$78.00	$8,775

COMP. 2-BR SUMMARY			
		$/SF	**$/Unit**
Min:		$74.19	$7,729
Max:		$81.55	$8,400
Mean:		$77.21	$8,097
Median:		$76.55	$8,130
Range:		10%	9%

15 W 55th St

406 W 45th St

517 W 46th St

445 W 50th St

Comparable Residential Rentals

2-BR Penthouse Apartments Address	E/W	Monthly Rent	Location Adj.	Age/Cond. /Qual. Adj.	Size Adj.	Misc. Adj.	Adjusted Rent	Est. % Vacancy	Unit Size SF	Dist. from Subj. (miles)	Rent/ SF	No. Baths	Utilities Incl. in Rent	No. Stories	No. Units	Yr. Built/ Renov.
Subject Property		**$18,000**					**$18,000**	**100.00%**	**1,350.0**	**0.00**	**$160.00**	**1.0**	**Water/Sewer**	**6**	**1**	**1920**
15 W 55th St	E	$7,540	0%	5%	0%	5%	$8,294	0.00%	1,250.0	1.00	$79.62	1.0	Heat/Water/Sewer	9	38	1915
406 W 45th St	E	$7,750	0%	5%	0%	8%	$8,758	0.00%	1,250.0	0.20	$84.07	1.0	Water/Sewer	6	22	1920/2006
517 W 46th St	E	$8,000	0%	5%	0%	8%	$9,040	0.00%	1,236.0	0.30	$87.77	1.0	Water/Sewer	7	45	2006
445 W 50th St	W	$7,925	0%	5%	0%	5%	$8,718	0.00%	1,300.0	0.30	$80.47	1.0	Heat/Water/Sewer	4	8	1901/1987
Averages	**E**	**$7,804**					**$8,702**	**0.00%**	**1,259.0**	**0.45**	**$82.98**	**1.0**		**6.5**	**28**	**1961**

SUBJECT 2-BR PENTHOUSE SUMMARY			
Reported Rents	**$/Room**	**$/SF**	**$/Unit**
Min:	$3,600	$160.00	$18,000
Max:	$3,600	$160.00	$18,000
Mean:	$3,600	$160.00	$18,000
Median:	$3,600	$160.00	$18,000
Range:	0%	0%	0%

MARKET RENT 2-BR PENTHOUSE CONCL.			
	$/Room	**$/SF**	**$/Unit**
Estimate:		$84.00	$9,450

COMP. 2-BR PENTHOUSE SUMMARY			
		$/SF	**$/Unit**
Min:		$79.62	$8,294
Max:		$87.77	$9,040
Mean:		$82.98	$8,702
Median:		$82.27	$8,738
Range:		10%	9%

15 W 55th St

406 W 45th St

517 W 46th St

445 W 50th St

Comparable Residential Rentals

2-BR Duplex Apartments Address	E/W	Monthly Rent	Location Adj.	Age/Cond. /Qual. Adj.	Size Adj.	Misc. Adj.	Adjusted Rent	Est. % Vacancy	Unit Size SF	Dist. from Subj. (miles)	Rent/ SF	No. Baths	Utilities Incl. in Rent	No. Stories	No. Units	Yr. Built/ Renov.
Subject Property		**$14,000**					**$14,000**	**100.00%**	**2,150.0**	**0.00**	**$78.14**	**2.0**	**Water/Sewer**	**6**	**1**	**1920**
15 W 55th St	E	$9,750	0%	5%	-3%	-3%	$9,750	0.00%	1,750.0	1.00	$66.86	1.0	Heat/Water/Sewer	9	38	1915
414 W 51st St	W	$9,995	0%	5%	0%	0%	$10,495	0.00%	2,000.0	0.30	$62.97	1.0	Water/Sewer	5	5	1910/1998
171 W 57th St	E	$10,000	10%	5%	0%	0%	$11,500	0.00%	2,000.0	0.80	$69.00	1.0	Water/Sewer	13	35	1922
Averages	**E**	**$9,915**					**$10,582**	**0.00%**	**1,916.67**	**0.70**	**$66.28**	**1.0**		**9**	**26**	**1919**

SUBJECT 2-BR DUPLEX SUMMARY			
Reported Rents	**$/Room**	**$/SF**	**$/Unit**
Min:	$2,333	$78.14	$14,000
Max:	$2,333	$78.14	$14,000
Mean:	$2,333	$78.14	$14,000
Median:	$2,333	$78.14	$14,000
Range:	0%	0%	0%

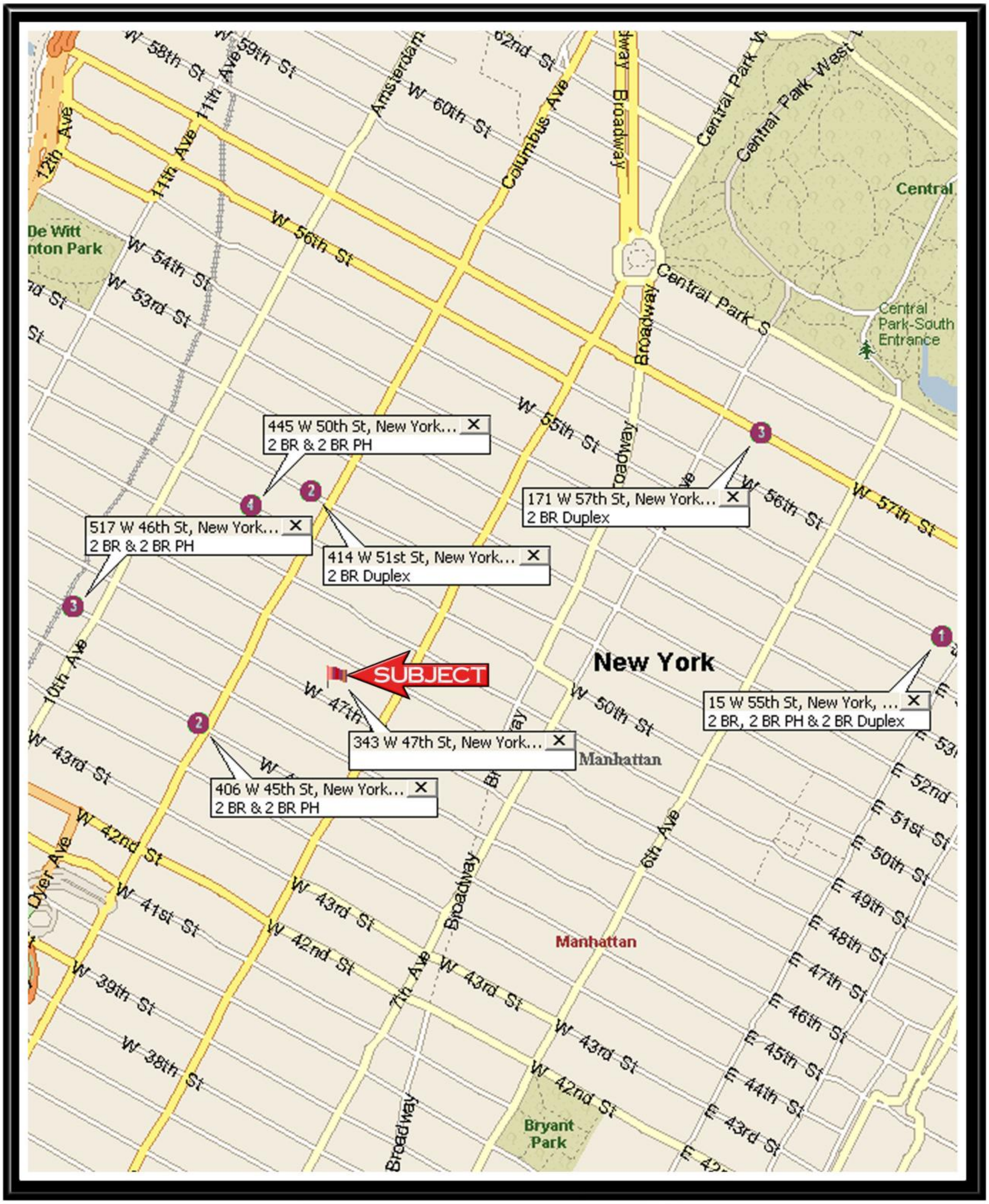
MARKET RENT 2-BR DUPLEX CONCL.			
	$/Room	**$/SF**	**$/Unit**
Estimate:		$66.75	$11,950

COMP. 2-BR DUPLEX SUMMARY			
		$/SF	**$/Unit**
Min:		$62.97	$9,750
Max:		$69.00	$11,500
Mean:		$66.28	$10,582
Median:		$66.86	$10,495
Range:		10%	18%

15 W 55th St

414 W 51st St

171 W 57th St


445 W 50th St, New York...
2 BR & 2 BR PH
171 W 57th St, New York...
2 BR Duplex
517 W 46th St, New York...
2 BR & 2 BR PH
414 W 51st St, New York...
2 BR Duplex
SUBJECT
New York
15 W 55th St, New York, ...
2 BR, 2 BR PH & 2 BR Duplex
343 W 47th St, New York...
406 W 45th St, New York...
2 BR & 2 BR PH
Manhattan

RENTALS MAP

Residential Market Rent Analysis Conclusion

Bedroom Type	Min. Mkt Rent	Max. Mkt Rent	Avg. Mkt Rent	Applied Mkt Rent
2-BR	$7,729	$8,400	$8,097	$8,775
2-BR Penthouse	$8,294	$9,040	$8,702	$9,450
2-BR Duplex	$9,750	$11,500	$10,582	$11,950

The results of our survey revealed that after adjustments, rents ranged from $74.19/SF to $81.55/SF for two-bedrooms, $79.62/SF to $87.77/SF for two-bedroom penthouses, and from $62.97/SF to $69.00/SF for two-bedroom duplex's. Based on these findings, we have estimated current market rents for the subject's two-bedroom, two-bedroom penthouse and two-bedroom duplex units to be $8,775 ($78.00/SF), $9,450 ($84.00/SF) and $11,950 ($66.75/SF) per month, respectively.

Where deemed necessary, adjustments have been made to reflect any significant differences between the subject and the comparables. Factors considered for adjustment include location, age/condition/quality, and size. In addition there is a "Miscellaneous" adjustment category that accounts for any other material factors, such as time adjustments for rentals that are not current, amenities such as elevator services, parking, high ceilings, and the like, or differing terms (regarding who pays for heat, electric, etc.). Apartments below grade are typical in the market.

Based on our market rent conclusions, the subject's overall rent level is at approximately 100% of full market rent potential which includes our projection of rent for the vacant units. This suggests that the income level is effectively at market with no inherent upside potential.

Potential Gross Income Conclusion

Based on our analysis of area market rents, our estimate of the subject's projected Potential Gross Income is as follows:

Potential Gross Income Summary		
Income Category		**Projected Income**
Vacant Units		$678,000
Total Income		**$678,000**

EXPENSE ANALYSIS

(7/14/2023-7/13/2024)

Leases within the subject's market are generally executed on a gross or modified-gross lease basis, with the tenants responsible for the base rent amount and usually some or all utilities. Expenses typically incurred by ownership include real estate taxes, insurance, common area utilities, legal and audit fees, water and sewer charges, repairs and maintenance, payroll costs, management fees, and an allowance for reserves for replacement. Depending on the specifics of the property involved, some of these expense categories may actually or effectively be irrelevant.

The appraisers were supplied with a list of proforma operating expenses. In estimating appropriate expenses for the subject property, we have analyzed the subject's reported expenses in light of our experience with similar properties, and where applicable, compared the reported expenses with both comparable building operating statements and various professional publications that reflect similar operating information. We have relied primarily on the subject's expense history as well as our survey of operating expense information from comparable multi-family condominium buildings located within the Clinton - Hell's Kitchen area and general vicinity.

Real Estate Taxes - **$107,913**

Please refer to the Real Estate Tax section of this report.

Insurance - **$10,000**

Historical				Proforma: $15,000.00		
Expenses				$1.53/SF	$2,500.00/Unit	$555.56/Rm
Comp. Exp.	Low	$0.35/SF	$300.00/Unit	$120.00/Room		
	High	$1.32/SF	$2,324.50/Unit	$387.42/Room		
	Avg.	$0.74/SF	$891.76/Unit	$235.72/Room		

Though ownership projects a $15,000 expense for insurance in Proforma, the appraisers believe the projected cost is more accurate.

Common Area Utilities - **$1,500**

Historical				Proforma: $800.00		
Expenses				$0.08/SF	$133.33/Unit	$29.63/Rm
Comp. Exp.	Low	$0.14/SF	$100.00/Unit	$37.81/Room		
	High	$0.23/SF	$333.33/Unit	$80.00/Room		
	Avg.	$0.16/SF	$181.42/Unit	$51.51/Room		

Though ownership projects an $800 expense for common area utilities in Proforma, the appraisers believe the projected cost is more accurate. We have ascribed a cost of $1,500 per annum ($0.15 per square foot) based on the typical cost of this expense.

Legal, Audit & Professional - $1,500

Though ownership does not project a legal and audit expense, the appraisers believe the projected cost is appropriate. Taking into account the subject's building size, we estimate legal, audit and professional costs to amount to $1,500.

Water and Sewer - $6,000

Historical							Proforma: $6,000.00		
Expenses							$0.61/SF	$1,000.00/Unit	$222.22/Rm
Comp. Exp.	Low	$0.46/SF			$400.00/Unit		$151.16/Room		
	High	$1.22/SF			$2,150.50/Unit		$358.42/Room		
	Avg.	$0.73/SF			$866.81/Unit		$231.04/Room		

We have estimated this expense at $6,000 ($1,000.00 per unit) for our projection period.

Repairs, Maintenance & Supplies - $3,900

Historical							Proforma: $4,000.00		
Expenses							$0.41/SF	$666.67/Unit	$148.15/Rm
Comp. Exp.	Low	$0.29/SF			$278.20/Unit		$86.94/Room		
	High	$0.80/SF			$500.00/Unit		$250.00/Room		
	Avg.	$0.50/SF			$423.72/Unit		$161.32/Room		

Though ownership projects a $4,000 expense for repairs and maintenance in Proforma, the appraisers believe the projected cost is more accurate. We have selected $3,900 per annum ($650.00 per unit) as a viable indication of this cost to the ownership.

Elevator Maintenance - $3,500

Management did not itemize their elevator maintenance costs. The cost of elevator maintenance services typically ranges between $2,500 and $5,500 per cab per year. We assume that the elevator will be in good condition and we have projected this expense to be $3,500 ($3,500.00/cab) for the projection period.

Payroll - **$3,000**

Historical				Proforma: $9,600.00
Expenses				$0.98/SF · $1,600.00/Unit · $355.56/Rm
Comp. Exp.	Low	$0.28/SF	$200.00/Unit	$96.00/Room
	High	$0.58/SF	$480.00/Unit	$200.00/Room
	Avg.	$0.39/SF	$360.00/Unit	$132.00/Room

Payroll costs typically include one or more full- or part-time superintendents, depending on property size and maintenance requirements. In this case, this expense was best represented on a cost per unit basis. Though ownership projects a $9,600 expense for payroll in Proforma, the appraisers believe the projected cost is more accurate. We have selected an annual cost of $3,000 ($500.00 per unit) as a viable indication of this cost for the projection period.

Management - **$19,323**

Historical				Proforma: $11,000.00
Expenses				$1.12/SF · $1,833.33/Unit · $407.41/Rm
Comp. Exp.	Low	$0.43/SF	$396.17/Unit	$149.59/Room
	High	$1.40/SF	$1,156.00/Unit	$481.67/Room
	Avg.	$0.83/SF	$729.91/Unit	$265.47/Room

A typical management fee amounts to 1% to 6% of Effective Gross Income depending on property size, rent levels, etc. Applying a management fee of $19,323 amounts to 3.0% of Effective Gross Income (EGI is estimated to be $644,100).

Miscellaneous - **$1,000**

This expense category includes (as applicable) the costs for items such as security, telephone service, exterminating, trash collection, advertising/marketing, landscaping, snow removal, permits and other miscellaneous items. Though ownership does not project miscellaneous expenses, the appraisers believe the projected cost is appropriate. We have estimated this expense at $1,000 ($0.10 per square foot) for our projection period.

Reserves for Replacement - **$1,050**

A reserve for replacement cost reflects the accrued annual expense for the periodic replacement of both short-term and long-term building items. Short-term items include refrigerators and stoves, and if applicable, microwaves and dishwashers. Long-term items include boilers and roofs. Consistent with industry standards and our experience, we have ascribed a reserves for replacement cost of $175 per unit or $1,050 ($175 x 6 units).

Vacancy and Credit/Collection Loss

As of the date of valuation, the property was vacant, pending gut renovation, expansion and occupancy. In consideration of the anticipated demand for the subject, and based on historical and current occupancy levels within the subject's general vicinity, we have ascribed an estimated stabilized vacancy and credit loss of 5.00%. We note that short-term vacancy rates tend to fluctuate (often considerably) in response to changes in economic conditions as well as supply and demand. However, the direct income capitalization technique considers not short-term fluctuations, but rather stabilized long-term operating characteristics.

General Comments

The subject's total expense burden of $158,686 amounts to $16.19 per square foot.

HISTORICAL & PROJECTED INCOME & EXPENSES

Subject: 343 West 47th Street New York New York

		Per Unit	Per Room	Per SF		Per Unit	Per Room	Per SF	% Change	Proforma	Per Unit	Per Room	Per SF	% Change	Market Projection	Per Unit	Per Room	Per SF	% Change
P.G.I.		$0	$0	$0.00		$0	$0	$0.00	N/A		$0	$0	$0.00	N/A	$678,000	$113,000	$25,111	$69.18	N/A
R.E. Taxes		$0	$0	$0.00		$0	$0	$0.00	N/A	$90,888	$15,148	$3,366	$9.27	N/A	$107,913	$17,985	$3,997	$11.01	19%
Insurance		$0	$0	$0.00		$0	$0	$0.00	N/A	$15,000	$2,500	$556	$1.53	N/A	$10,000	$1,667	$370	$1.02	-33%
Fuel		$0	$0	$0.00		$0	$0	$0.00	N/A		$0	$0	$0.00	N/A	$0	$0	$0	$0.00	N/A
Common Area Utilities		$0	$0	$0.00		$0	$0	$0.00	N/A	$800	$133	$30	$0.08	N/A	$1,500	$250	$56	$0.15	88%
Water & Sewer		$0	$0	$0.00		$0	$0	$0.00	N/A	$6,000	$1,000	$222	$0.61	N/A	$6,000	$1,000	$222	$0.61	0%
Repair/Maint/Supplies		$0	$0	$0.00		$0	$0	$0.00	N/A	$4,000	$667	$148	$0.41	N/A	$3,900	$650	$144	$0.40	-3%
Inter/Exter Decorating		$0	$0	$0.00		$0	$0	$0.00	N/A		$0	$0	$0.00	N/A	$0	$0	$0	$0.00	N/A
Elevator Maintenance		$0	$0	$0.00		$0	$0	$0.00	N/A		$0	$0	$0.00	N/A	$3,500	$583	$130	$0.36	N/A
Payroll		$0	$0	$0.00		$0	$0	$0.00	N/A	$9,600	$1,600	$356	$0.98	N/A	$3,000	$500	$111	$0.31	-69%
Legal & Audit		$0	$0	$0.00		$0	$0	$0.00	N/A		$0	$0	$0.00	N/A	$1,500	$250	$56	$0.15	N/A
Management		$0	$0	$0.00		$0	$0	$0.00	N/A	$11,000	$1,833	$407	$1.12	N/A	$19,323	$3,221	$716	$1.97	76%
Miscellaneous		$0	$0	$0.00		$0	$0	$0.00	N/A		$0	$0	$0.00	N/A	$1,000	$167	$37	$0.10	N/A
Reserves		N/A	N/A	N/A		N/A	N/A	N/A	N/A		N/A	N/A	N/A	N/A	$1,050	$175	$39	$0.11	N/A
TOTAL EXPENSES	$0	$0	$0	$0.00	$0	$0	$0	$0.00	N/A	$137,288	$22,881	$5,085	$14.01	N/A	$158,686	$26,448	$5,877	$16.19	16%

COMPARABLE BUILDING EXPENSE SURVEY

Address	No. 1 1033 Flushing Avenue			No. 2 5914 8th Avenue			No. 3 3221 3rd Avenue			No. 4 2077 Ryer Avenue			No. 5 383-385 Ocean Parkway			No. 6 7407 3rd Avenue					
	# Units	# Rooms	# SF	# Units	# Rooms	# SF	# Units	# Rooms	# SF	# Units	# Rooms	# SF	# Units	# Rooms	# SF	# Units	# Rooms	# SF			
	4	12	4,125	2	12	3,520	8	32	8,700	4	12	3,750	5	25	8,640	2	10	3,600		**Averages**	
	$/Unit	$/Room	$/SF	$/Unit	$/Room	$/SF	$/Unit	$/Room	$/SF	$/Unit	$/Room	$/SF	$/Unit	$/Room	$/SF	$/Unit	$/Room	$/SF	Per Unit	Per Rm	Per SF
Insurance	700	292	0.85	2,325	387	1.32	593	185	0.68	300	150	0.48	500	120	0.35	933	280	0.78	892	236	0.74
Labor	480	200	0.58							200	100	0.32	400	96	0.28				360	132	0.39
Common Area Utilities	120	50	0.15	248	41	0.14	121	38	0.14	100	50	0.16	333	80	0.23	167	50	0.14	181	52	0.16
Fuel							1,257	393	1.44				833	200	0.58	1,667	500	1.39	1,252	364	1.14
Water & Sewer	400	167	0.48	2,151	358	1.22	484	151	0.56	500	250	0.80	667	160	0.46	1,000	300	0.83	867	231	0.73
Repairs & Maintenance	500	208	0.61				278	87	0.32	500	250	0.80	417	100	0.29				424	161	0.50
Miscellaneous													167	40	0.12				167	40	0.12
Management	1,156	482	1.40				744	233	0.86	396	198	0.63	623	150	0.43				730	265	0.83
Totals	**3,356**	**1,398**	**4.07**	**4,723**	**787**	**2.68**	**3,477**	**1,086**	**4.00**	**1,996**	**998**	**3.19**	**3,940**	**946**	**2.74**	**3,767**	**1,130**	**3.14**	**4,873**	**1,481**	**4.61**

Pro Forma – Estimated Income and Expenses 7/14/2023-7/13/2024

	$ Amount	PSF	Per Unit	Per Room
Income				
Residential Income	$678,000	$69.18	$113,000	$25,111
Commercial Base Income	$0	$0.00	$0	$0
Commercial RE Tax Contributions	$0	$0.00	$0	$0
Commercial Additional Contributions	$0	$0.00	$0	$0
Other Income	$0	$0.00	$0	$0
Potential Gross Income	**$678,000**	**$69.18**	**$113,000**	**$25,111**
Less Residential/Other V&C Loss @ 5.0%	$33,900	$3.46	$5,650	$1,256
Less Commercial V&C Loss @ 5.0%	$0	$0.00	$0	$0
Effective Gross Income	**$644,100**	**$65.72**	**$107,350**	**$23,856**
Operating Expenses				
R.E. Taxes	$107,913	$11.01	$17,985	$3,997
Insurance	$10,000	$1.02	$1,667	$370
Fuel	$0	$0.00	$0	$0
Common Area Utilities	$1,500	$0.15	$250	$56
Water & Sewer	$6,000	$0.61	$1,000	$222
Repairs/Maint./Supplies	$3,900	$0.40	$650	$144
Interior/Exterior Decorating	$0	$0.00	$0	$0
Elevator Maintenance	$3,500	$0.36	$583	$130
Payroll	$3,000	$0.31	$500	$111
Legal & Audit	$1,500	$0.15	$250	$56
Management	$19,323	$1.97	$3,221	$716
Miscellaneous	$1,000	$0.10	$167	$37
Reserves	$1,050	$0.11	$175	$39
Total Operating Expenses	**$158,686**	**$16.19**	**$26,448**	**$5,877**
Total Expenses Excluding RE Taxes	**$50,773**	**$5.18**	**$8,462**	**$1,880**
Net Operating Income	**$485,414**	**$49.53**	**$80,902**	**$17,978**
Operating Expense Ratio (EGI)	***24.64%***			

DIRECT INCOME CAPITALIZATION ANALYSIS

Capitalization refers to the conversion of income into value, and a Capitalization Rate is any rate used to convert income into value. Direct Capitalization is defined as:

> A capitalization technique that employs capitalization rates and multipliers extracted from sales. Only the first year's income is considered. Yield and value change are implied, but not identified.[2]

Direct Capitalization is also defined as:

> A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor.[3]

We have selected the Mortgage-Equity Technique (Ellwood Method) in order to derive a reliable overall capitalization rate for capitalizing the subject's estimated net income.

The Mortgage-Equity Technique (Ellwood Method) utilizes a formula to calculate an overall capitalization rate based on a series of input variables that reflect the mortgage financing and equity investment components of the total property yield. Conceptually, the Ellwood formula builds on the "basic" weighted rate (weighted average of mortgage return rate and equity yield rate) by applying adjustments to reflect equity buildup over time as well as anticipated appreciation/depreciation of the property's value over the investor's holding period. By design, this formula is applicable only to properties with a stabilized income stream that may be expected to change according to specific growth patterns.

[2] Dictionary of Real Estate Appraisal (4th edition, 2002), published by the Appraisal Institute, Chicago, Illinois.

[3] Ibid.

Overall Capitalization Rate Development via Mortgage-Equity Technique

The Mortgage-Equity Technique recognizes that real estate investors typically purchase property using a combination of mortgage financing and equity funds. Mortgage financing is favored by investors because it offers the opportunity for positive leverage and gives investors the ability to control properties that would otherwise be beyond their means.

The yield to the equity investor reflects the cash flows that provide for return of, and on, the initial equity investment. The yield requirement of the mortgage lender is expressed as a mortgage constant based on currently available mortgage terms. In addition to these two core components, the Ellwood Method also accounts for equity buildup as well as the expected change (typically, appreciation) in property value during the holding period. Equity buildup reflects the fact that as mortgage payments are made, the remaining loan principal is gradually reduced, while the investor's equity position increases correspondingly.

In all investments, the element of recapture is central. The investor expects a return on investment capital as well a return of the investment itself. Recapture of the mortgage is accomplished through amortization over the investment term, with a balloon payment at the end of the investment term if any balance remains. Recapture of the equity investment is achieved through the operating cash flows and from the proceeds of a hypothetical property sale at the end of the holding period. The equity growth on the annual equity dividend rate to produce the equity yield rate is based on the use of the sinking fund factor to discount and annualize the equity buildup and value appreciation.

Equity Yield Rate Selection

A yield rate to the equity investor has been selected through a combination of financial and real estate market information, indicating the prospective rate of return necessary to attract long-term real estate investment capital. In addition, we must also consider the risk characteristics inherent to the subject and its operating environment. These include market absorption and vacancy rates, and the economic stability of the local market area. The search for a yield rate begins in the financial markets, which offer rates on current alternative instruments as economic benchmarks. Investors are typically guided psychologically by the ten-year Treasury Note rate, which was approximately 2.96% as of the valuation date.

Although not considered a meaningful alternative investment vehicle, the note rate does represent a benchmark reflective of the costs of debt capital, with minimal ("baseline") risk and appreciation components. Considering the higher risks associated with real estate investment, as well as the management requirements and impairment of liquidity, an upward adjustment must be made to this rate indication.

The subject property consists of a vacant four-story 5,272 square foot four-family dwelling pending gut renovation and expansion into a six-story plus cellar, 9,800 square foot elevator multi-family condominium building which will contain six residential units with a total of 27 rooms. It is expected to receive adequate maintenance and is located within the Clinton - Hell's Kitchen section of Manhattan. The element of risk in this investment would not be perceived as unusually high by most investors in our opinion, nor will illiquidity or management be unusual burdens in this locality. Based on these considerations, placing greatest reliance on local real estate market information, it is our opinion that an equity yield rate of 5.00% would be sufficient to attract investment capital to the subject property based on the subject's location.

Mortgage Rate Selection

The second key component in the Ellwood formula consists of the mortgage rate, which is expressed as an annual constant and is based on the particular terms of the anticipated mortgage. Consideration must be given to the availability of financing and mortgage terms. A recent survey was conducted in order to more accurately reflect local lending requirements within the subject's general community. Our survey included lending institutions (primarily banks) that offer collateralized loans throughout the metropolitan New York City area and the surrounding environs. We note that the subject's New York location is considered a primary investment area by most lending institutions.

Lending rates generally ranged from 150 to 250 basis points above the 10-year Treasury, depending on property type, location, size, occupancy, and other pertinent factors affecting risk. Spreads tend to fluctuate in response to changes in the 10-year Treasury rate; as the yield falls, spreads often increase, and as the yield rises, spreads may decrease. This tends to have a stabilizing effect on financing rates. Furthermore, lending rates tend to have an inverse relationship to loan size; i.e. smaller loans often have somewhat higher rates than comparable larger loans.

Taking into account the subject's location, condition, and other pertinent factors, we would expect a mortgage at 150 basis points above the ten-year treasury, for an interest rate of 4.46%. In addition, the typical loan-to-value ratio for properties similar to the subject supports 70% for debt and 30% towards equity. The basic rate normally accounts for the major part of the overall rate. The composition of the basic rate is usually defined with an algebraic formula, but it can also be demonstrated by a regular band of investment.

Expectation of Appreciation/Depreciation

The adjustment for anticipated increase or decrease in property is akin to the recapture allowance used in other capitalization techniques. When there is no expectation for depreciation or appreciation in value, no adjustment is required. The subject property is located within the Clinton - Hell's Kitchen section of Manhattan.

Based on the inputs discussed above, our application of the Mortgage-Equity Technique is presented on the following page.

Basic Assumptions			
Ratio to Value		Mortgage: 70%	Equity Position: 30%
Term/Holding Period		25 Years	10 Years
Rate: Interest/Yield		4.46%	5.00%
Mortgage Constant			
	25 Years	6.64%	
	10 Years	12.41%	
Mortgage:	70% (D)	x 6.64%	= 4.65%
Equity:	30%	x 5.00%	= 1.50%

Weighted Rate			=6.15%
Less Credit for Equity Build-Up			
4.46%	Loan,	Years: 25	
	Constant:	6.64%	
	Interest Rate	4.46%	
	Amortization:	2.18%	(A)
4.46%	Loan,	Years: 10	
	Constant:	12.41%	
	Interest Rate:	4.46%	
	Amortization	7.95%	(B)
% Paid Off	(A)/(B)	= 27.44%	(C)
Sinking Fund Fact. @ 5.00% for 10 years:		7.95%	(E)
Amount Paid Off:			
	Based on % Paid Off:	27.44%	(B)
	Mortgage Ratio:	70%	(C)
	Sinking Fund Factor:	7.95%	(E)
(C)	x (D)	x (E)	
27.44%	x 70%	x 7.95%	= 1.53%
Unload for Appreciation/Depreciation**			
Projected Appreciation Rate Over Holding Period:		0.00%	/Year
Total Compounded Appreciation of 0.00% x Sinking Funds Factor:			
0.00%	x 7.95%		= 0.00%
		Overall Rate:	**4.62%**
		Rounded Overall Rate:	**4.50%**

**Adjustment to the basic rate to reflect an expected change in overall property value. If the value change is positive (appreciation), the overall capitalization rate is reduced to reflect this anticipated monetary benefit; if the change is negative (depreciation) the overall capitalization rate is increased.

Based upon the data presented, our analysis of the subject property, the overall marketplace, published real estate investment criteria, and our calculation of a capitalization rate using the Mortgage-Equity technique, it is our opinion that an Overall Capitalization Rate for the subject property of 4.50% is viable for our development of a market value indication via this approach.

Additional market extracted cap rate support is presented below:

	Property Address	Date of Sale	Sales Price	Building SF	No. Units	Occupancy	Overall Cap Rate
1	73 W 68Th St, New York, NY	1/11/2022	$6,000,000	6,750	9	98.20%	4.00%
2	829 Ninth Ave, New York, NY	7/8/2022	$7,050,000	10,100	18	100.00%	4.64%
3	666 9Th Ave, New York, NY	4/4/2022	$3,500,000	7,995	8	97.99%	4.98%
4	416 W 46Th St, New York, NY	3/17/2022	$5,000,000	7,200	12	97.99%	5.00%

Based on our market rent conclusions, the subject's overall rent level is at approximately 100% of full market rent potential. This suggests that the income level is effectively at market with no inherent upside potential. The subject's market value indication is calculated as follows:

$485,414 ÷ 4.50% =	$10,786,984
Market Value Indication (As Comp./Stabilized)	**$10,786,984**
Less Cost to Cure[4]	$7,688,445
Market Value Indication (As Is)	**$3,098,540**
Rounded	**$3,100,000**

Thus, the subject's indicated market values via the Income Capitalization Approach, are as follows:

Valuation Premise/Type	Interest Appraised	Effective Date of Value	Income Approach Conclusion
As Is	Fee Simple	July 14, 2022	$3,100,000
As Completed/Stabilized	Fee Simple	July 14, 2023	$10,775,000

[4] This deduction reflects those items detailed in the "Comments on Condition and Functionality" found within the Description of the Improvements section of this report.

REPLACEMENT COST NEW/INSURABLE VALUE

REPLACEMENT COST NEW, FOR INSURANCE PURPOSES ("INSURABLE VALUE")

In this section, we estimate the replacement cost new of the subject building improvements. *Replacement cost new* is the total cost of construction required to replace a building, as if in new condition, with a substitute of like or equal utility using current standards of material and design. The cost is arrived at by multiplying the building area(s) by adjusted per-square-foot replacement costs. The costs are conventionally derived from published construction cost survey manuals, such as the Marshall Valuation Service cost manual, published by Marshall & Swift. This manual is recognized as an industry standard and is the source used in this analysis.

The term *insurable value* is often used in place of replacement cost new. However, there is a subtle difference between these two expressions. Per the Marshall manual, insurable value may be defined as "Value used by insurance companies as the basis for insurance. Often considered to be replacement or reproduction cost plus allowances for debris removal or demolition less deterioration and uninsurable items. Sometimes cash value or market value, but often entirely a cost concept."

The Marshall manual makes the salient point that "Insurance exclusions or additions are a matter of underwriting and not a matter of valuation; the appraiser must know the type of coverage and the company policy regarding underwriting and claims before he prepares his report. Also, these items in some cases may be controlled by local governmental rules and regulations." In this case the client defines the exclusions as well as additional indirect costs to be included according to the engagement letter. These additional indirect cost items include "…releasing expense, building permits, reconstruction fees, and owner's supervision expense for reconstruction. Excluded items include land value, site improvements, and entrepreneurial profit." Our analysis of replacement cost presented below does not include any of the excluded items. To account for the additional indirect cost items, we apply a 10% addition to the replacement cost estimate.

For this property, the applicable data was taken from the Marshall Valuation Service cost manual, section/page 12/16 (multi-family building). We have selected the cost factors presented on the following page to estimate the replacement costs of the subject's improvements. The factors do not include land cost/value but are inclusive of most primary hard & soft costs.

In certain instances, the unit cost utilized may be an interpolated figure. For example, if a building is constructed with a combination of Class A and Class C construction techniques, it may be most accurate to calculate the construction cost based on a unit cost interpolated between Class A and Class C unit costs for the appropriate building type. As another example, for a building with a partially finished cellar, the cellar unit cost may be an interpolation between unfinished and finished cellar unit costs.

The listed cost(s) per square foot will be modified by a cost multiplier and a location multiplier, each appropriate to the prevailing cost levels in the subject property's region. Following is an itemized breakdown of Replacement Cost New of the subject's improvements:

REPLACEMENT COST NEW / "INSURABLE VALUE"

Occupancy Type:					multi-family building		
Construction Class:					C		
Quality:					Good		
Building Height:					six stories		
Building Size (Gross SF):							
Estimated Cost New:							12/16
Marshal Valuation Section/Page:							
Estimate Cost per SF:							111
Heating Cost Modification per SF:							
							——————
Base Building Cost:							111
Multiplier Refinements:							
Height Adjustment:					1.015		
Perimeter Adjustment:					1		
Current Cost Multiplier (Eastern):					1.29		
Local Cost Multiplier:					1.39		
Other Adjustment:					1		
					—————		
Combined Refinements:					1.8199965		
Adjusted Base Building Cost per SF:							$202.02
Estimated Cost New:			9,800	x	$202.02	=	$1,979,792
Cellar Costs:	1,500	x		x	1.8199965	=	$0
Other Costs:							
							——————
Replacement Cost New:							$1,979,792
Additional Indirect Cost Items:			10%				$197,979
Total Replacement Cost New:							$2,177,771
Rounded:							$2,175,000

REPLACEMENT COST NEW CONCLUSION: $2,175,000

RECONCILIATION

RECONCILIATION & FINAL VALUE OPINION

As symbolized by vacant industrial structures and office buildings, empty shopping malls, and abandoned apartments, in many metropolitan areas, the coronavirus (COVID-19) has severely impacted real estate markets. Indeed, while COVID-19 continues its negative effects, upon such real estate markets, it has provided significant opportunities for informed investors and developers. Many scientific papers and academic insights (with statistical correlations) have been published, relating to when real estate market conditions will stabilize, in light of the possibility of future COVID-19 waves, particularly from variants such as the "Delta variant". No favorable or adverse conditions have been applied to the instant valuation. WestRock's appraisers, (i) urge investors to consider possible links between and among real estate markets, the macroeconomy and the various financial markets, and (ii) caution lenders to consider loan to value ratios which reflect the perceived risk of the lending decision.

The subject property currently consists of a vacant four-story 5,272 square foot four-family dwelling pending gut renovation and expansion into a six-story plus cellar, 9,800 square foot elevator multi-family condominium building which will contain six residential units. The total projected construction cost is reported to be approximately $6,650,755.60 ($679 per square foot) with approximately $500,000 ($51 per square foot) having been spent and approximately $6,150,755.60 (approximately $628 per square foot) remaining to be spent. Consequently, this appraisal analysis reflects the subject's prospective "as-is" and "as-completed/stabilized" value considerations. We note that the subject's as-is market value is to be predicated upon an extraction valuation method whereby the subject's as-is value is estimated by calculating the value of the completed renovation minus the costs of renovation (including profit) and entrepreneurial incentive. Additionally, the appraisers note that the blueprints provided by ownership, and which forms the basis of this appraisal, have not yet been submitted to the Department of Buildings and have therefore not been approved. We strongly urge the client to obtain all applicable work permits, variances, approved plans, blueprints/schematics, etc. prior to rendering a final loan decision. This report is therefore predicated on the assumption that the subject's plans will ultimately be approved and will conform to the zoning requirements within the subject's zone. The prospective values within this report are based on the extraordinary assumption that 1) the proposed construction of the subject's improvements will be completed as of the anticipated date of completion and will conform to the proposed job description, budget and blueprints submitted to us by the developer; 2) the developer will obtain all requisite work permits and will complete the required construction in a workmanlike manner within approximately 12 months of the date of inspection and will obtain a Permanent Certificate of Occupancy within a reasonable time horizon; and 3) subsequent to the completed construction, the subject property will be in good condition. We anticipate that lease-up and/or sales of the subject's units will occur during the construction period. Consequently the prospective as completed/stabilized valuation date is July 14, 2023. Should any material change occur which runs contrary to the information provided to the appraiser, which forms the basis of this appraisal, the appraisers reserve the right to modify our estimate of market value accordingly. These extraordinary assumptions may have affected the assignment results.

The approaches utilized have yielded the following value indications:

Approaches	Value	$/Unit	$/Room	$/SF	Overall Rate	GRM
Cost Approach	N/A	N/A	N/A	N/A	N/A	N/A
Sales Comparison As Compl./Stabilized	$16,325,000	$2,720,833	$604,630	$1,666	2.97%	24.08
Income As Compl./Stabilized	$10,775,000	$1,795,833	$399,074	$1,099	4.51%	15.89
Sales Comparison As-Is	$8,625,000	$1,437,500	$319,444	$880	5.63%	12.72
Income As-Is	$3,100,000	$516,667	$114,815	$316	15.66%	4.57

The appraisers were requested to form an opinion of the “as is” and “as completed/stabilized” market value(s) of the Fee Simple Estate in the subject property. To this end, we have utilized both the Sales Comparison and Income Approaches to Value. The Cost Approach was not developed in this appraisal since the subject property does not constitute a specialty use; rather it is a property that would be purchased for its income potential, occupancy, or alternative use. Furthermore, reliable estimates of depreciation and obsolescence are difficult and subjective due to the type and age of the subject’s improvements. It is, therefore, our opinion that this approach is of limited applicability in this context. Consequently, it has been omitted from this analysis.

The subject property’s type of realty in the local market is preponderantly wholly or partially owner occupied, with the prevailing motivation of ownership being not for investment purposes requiring a competitive return, but rather as an integral part of a business. There is recurrent market evidence that prices paid for properties comparable to the subject are higher than what the capitalization of market-supported income projections would support. The Sales Comparison Approach is based on a comparison of recent market conveyances of properties to comparable the subject property. All sales information is obtained from published market data.

In the Income Approach, our analysis of the subject’s reported or estimated income and expenses, and our evaluation of these figures in light of current market conditions and comparable market data enabled us to establish a supportable estimate of the subject’s current Net Operating Income. After applying market-reflective yield and mortgage rates, and considering typical terms and availability of financing, a viable capitalization rate was selected and utilized to arrive at a value indication. Nominal reliability has been afforded to the income approach based on the fact that the investment criteria utilized by typical investors in the subject’s marketplace would require a substantially higher yield requirement and thus lower purchase price than that which would be considered reasonable by the typical owner-user. Nonetheless, our application of the Income Approach in light of these considerations does lend considerable support to the value indication arrived at via the Sales Comparison Approach.

Our employment of both the Sales Comparison and Income Approaches resulted in a wide range of value indications. The Sales Comparison Approach directly reflects the actions of participants in the market and is often utilized as a test of reasonableness for the Income Approach when appraising income-producing properties. For properties that are typically wholly or partially owner occupied, this approach is often considered to be a primary indicator of value. The degree of reliability placed on this approach is in direct relation to the availability and comparability of the sales data. We have cited sales of four properties located within the subject’s market.

Based on the foregoing analysis, we have based our value conclusion on the Sales Comparison Approach exclusively. Our final value conclusions for the subject are as follows:

Valuation Premise/Type	Interest Appraised	Effective Date of Value	Value Conclusion
As Is	Fee Simple	July 14, 2022	**$8,625,000**
As Completed/Stabilized	Fee Simple	July 14, 2023	**$16,325,000**

Exposure and Marketing Periods:

Based on recent activity within the subject's market, we estimate that the typical exposure period of a condominium unit is approximately 9-12 months to time of sale. A similar marketing period is anticipated based on current market conditions.

ADDENDA

STEVEN R. ROMER, MAI

APPRAISER LICENSE

UNIQUE ID NUMBER
46000000719

State of New York
Department of State
DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
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PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE
EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.

EFFECTIVE DATE

MO.	DAY	YR.
01	14	22

ROMER STEVEN R
C/O WEST ROCK APPRAISAL SERVIC
7 RUTH CT POB 910
TALLMAN, NY 10982

EXPIRATION DATE

MO.	DAY	YR.
01	13	24

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A
R. E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.

BRENDAN C. HUGHES
ACTING SECRETARY OF STATE

DOS-1098 (Rev. 3/01)

PROFESSIONAL LIABILITY BINDER (E&O)

WESTAPP-01 GPOLTER

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 6/28/2022

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E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Interstate Fire & Casualty Company	
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
WestRock Appraisal Services Inc aka WestRock Appraisal Services Corp & its president Steven R. Romer
500 South Australian Ave
Suite 600-1006
West Palm Beach, FL 33401

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY; CLAIMS-MADE; OCCUR						EACH OCCURRENCE	$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY; PRO-JECT; LOC						GENERAL AGGREGATE	$
	OTHER:						PRODUCTS - COMP/OP AGG	$
								$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY; SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY; NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB; OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB; CLAIMS-MADE						AGGREGATE	$
	DED; RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						PER STATUTE; OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	N/A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Errors and Omissions			H273OMLA220	7/6/2022	7/6/2023	Aggregate	2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

Evidence of Insurance

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
The Omni Agency, Inc.

ACORD 25 (2016/03)

STEVEN R. ROMER, MAI
APPRAISER QUALIFICATIONS

SUMMARY OF QUALIFICATIONS

Steven R. Romer has over 30 years of experience as a real estate appraiser and consultant, specializing in the appraisal of shopping centers, industrial and commercial facilities, apartment buildings and special purpose properties in the metropolitan and tri-state areas. Mr. Romer is the president and principal of Westrock Appraisal Services Corp.

In addition to holding the MAI designation from the Appraisal Institute, Mr. Romer has earned an MBA degree from the Bernard Baruch College of New York City.

BUSINESS EXPERIENCE

- **Westrock Appraisal Services Corp.** **1991 - Present**

President

Active in conducting appraisal assignments, implementing marketing strategies and developing computer-assisted appraisal programs.

- **Fee Appraiser** **1987 - 1990**

Performed appraisal assignments for various MAI's including Jerome Jakubovitz, Albert Dolfinger of Property Advisory Group, Lawrence Humphrey of Humphrey and Coyle, William Shubert of William Shubert and Company, among others.

LICENSES

- **Certified General R.E. Appraiser - NY**

Licensed by the State of New York as a Certified General Real Estate Appraiser, identification number 46000000719.

- **Certified General R.E. Appraiser - NJ**

Licensed by the State of New Jersey as a Certified General Real Estate Appraiser, identification number 42RG00197400.

- **Certified General R.E. Appraiser - CT**

Licensed by the State of Connecticut as a Certified General Real Estate Appraiser, identification number RCG.0001278.

PROFESSIONAL AFFILIATIONS

- **MAI Designation (No. 21364), Appraisal Institute**

EDUCATION

Appraisal Institute Courses Completed:

Real Estate Appraisal Principles
Residential Valuation
Basic Valuation Procedures
Capitalization Theory and Techniques, Part A
Capitalization Theory and Techniques, Part B
Case Studies in Real Estate Valuation
Valuation Analysis and Report Writing
Standards of Professional Practice
Rates, Ratios & Reasonableness

Bernard Baruch College: MBA Degree, May 1988
New York, N.Y.