

1326 College Avenue: A Strategic Retrofit Opportunity

Our property selection at 1326 College Avenue in the Bronx (10456) is especially well-suited for a retrofit project. Built in 1899, this building offers strong bones and character while presenting clear opportunities to modernize building systems, improve energy performance, and enhance overall livability. Rather than starting from scratch, this project preserves neighborhood fabric while increasing long-term efficiency and value.

Prime Location

Claremont–Bathgate area, adjacent to Claremont Village. Well connected to transit, retail, schools, and community facilities.

Market Resilience

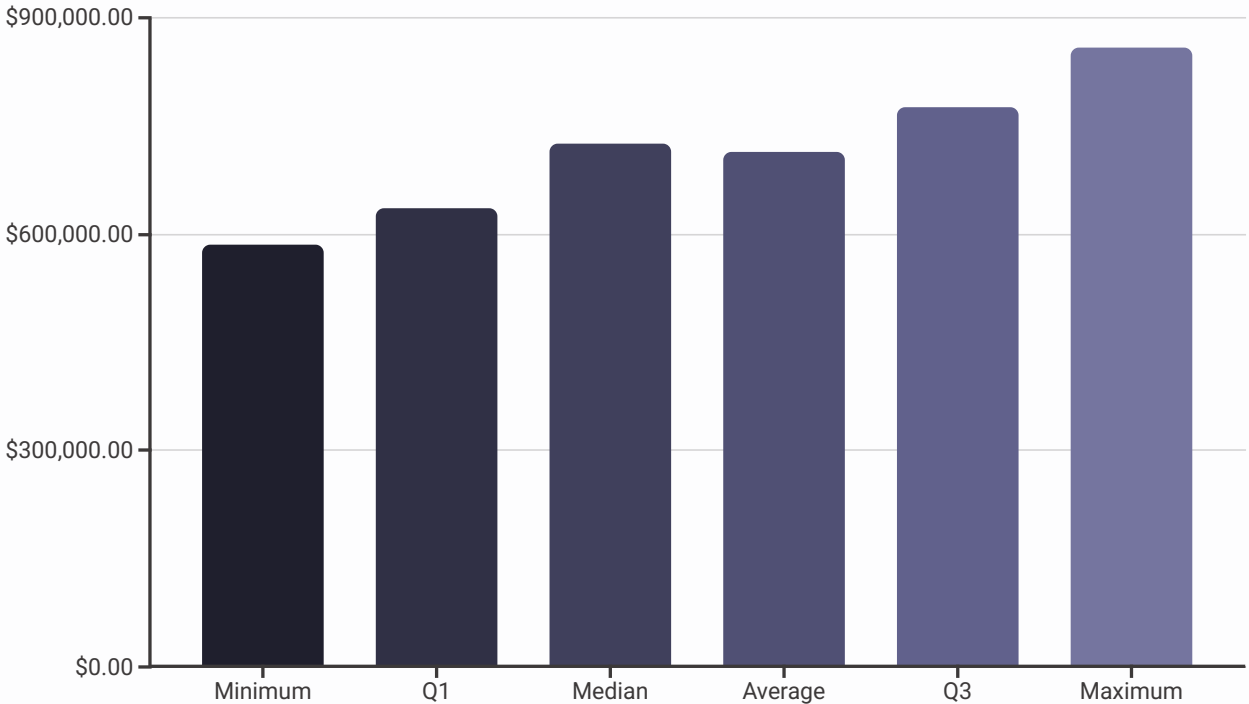
Bronx multifamily sector demonstrates consistent investor interest, particularly for stabilized housing assets in transit-accessible neighborhoods.

Community Impact

Vibrant residential community with strong demand for stable housing. Modernization creates measurable financial, environmental, and social impact.

Market Validation Through Comparable Sales

Recent transactions demonstrate continued investor demand for stabilized or value-add multifamily assets in the Bronx. Renovated properties command higher valuations and stronger rental performance relative to outdated buildings, confirming that upgrading physical systems and improving efficiency enhances both rental competitiveness and long-term asset value.



Valuation Range

The interquartile range from **\$635,000 to \$776,000** captures the core pricing band for typical renovated assets. Most stabilized properties trade within this window.

Positioning this property near the median value of approximately **\$726,000** is reasonable given planned renovations and energy-efficiency upgrades.

These comparables validate the projected \$700,000–\$750,000 stabilized valuation assumption and demonstrate that the underwriting is grounded in actual market transaction data rather than optimistic projections.

Sustainability: Environmental Performance Meets Social Impact

Our sustainability strategy integrates environmental performance with measurable social impact. The project prioritizes housing stability in a rent-burdened community by lowering utility costs and improving living conditions without displacing existing residents. Sustainability is positioned not as a marketing tool, but as an operational and financial strategy.



Energy Efficiency

ENERGY STAR appliances, LED lighting, insulation improvements, and smart thermostats to reduce energy consumption and support Local Law 97 compliance.



Water Conservation

WaterSense fixtures to significantly reduce water consumption while maintaining resident comfort and functionality.



Indoor Air Quality

Low-VOC materials and ventilation upgrades to improve indoor air quality and create healthier living environments for residents.

Financial Planning: Conservative Structure, Clear Returns

The total project cost includes acquisition, renovation, soft costs, and a contingency reserve to account for unforeseen conditions common in pre-war buildings. The financing structure demonstrates clear pathways for debt repayment, investor returns, and long-term profitability, while incorporating safeguards against cost overruns or revenue underperformance.



Acquisition & Renovation

Total project cost structured to include all hard costs, soft costs, and contingency reserves for pre-war building conditions.



Capital Stack

Equity investment and senior debt financing, structured conservatively to ensure responsible leverage and financial stability.



Revenue Projections

Realistic rent assumptions with vacancy allowances. Operating expenses reflect current market conditions and efficiency gains.

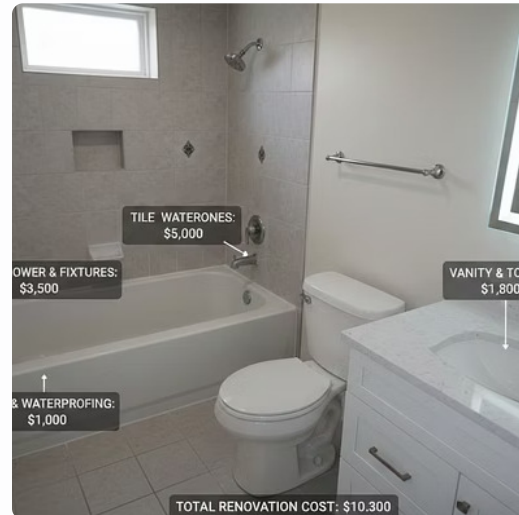
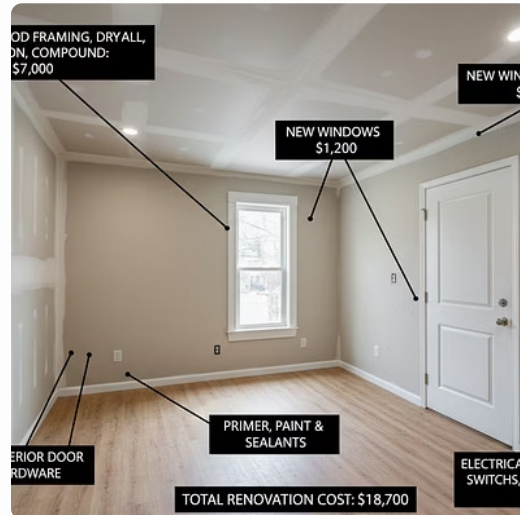
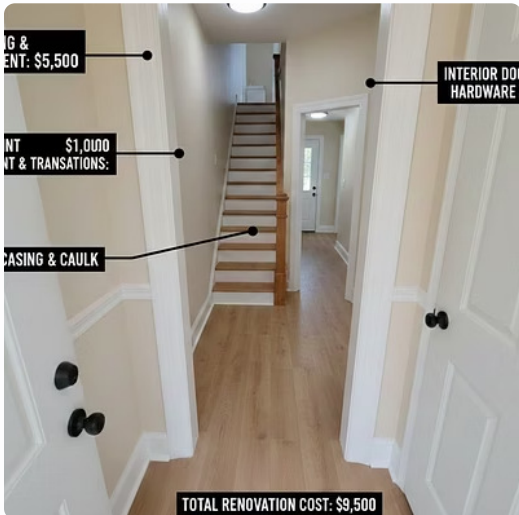
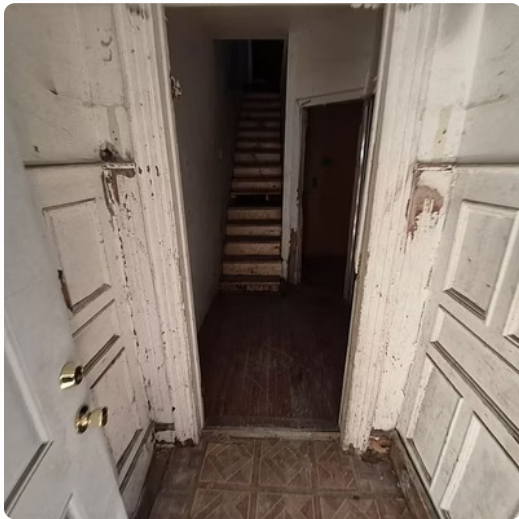


NOI Growth

Efficiency upgrades expected to reduce controllable expenses, thereby increasing net operating income and long-term value.

Visualizing the Transformation: Before & After

Witness the dramatic transformation of 1326 College Avenue from its historic state to a modern, sustainable, and highly desirable residential property. These images illustrate the scope of renovation, showcasing key upgrades that enhance both aesthetics and energy performance.



The visual contrast highlights our commitment to preserving the building's character while integrating contemporary comforts and environmental efficiencies, creating a compelling value proposition for residents and investors alike.

Risk Mitigation: Proactive Planning for Success

Key project risks include construction uncertainty, regulatory changes, interest rate volatility, and rental market fluctuations. By grounding assumptions in professional construction input, we reduce execution risk and strengthen the project's overall feasibility. This proactive approach protects both lenders and equity investors.

Construction Uncertainty

Contingency budget and phased renovation scheduling to manage unforeseen conditions in pre-war buildings.

Market Fluctuations

Conservative rent projections and vacancy allowances to protect against rental market volatility.

Regulatory Changes

Compliance planning for Local Law 97 and other NYC environmental regulations built into design.

Interest Rate Risk

Conservative financing structure with manageable debt service coverage ratios.



Validated by Experts

Insights from our general contractor interview validated cost estimates, construction timeline, and identification of potential structural risks typical in older Bronx buildings.

Professional construction input strengthens feasibility and reduces execution risk across all project phases.

Financial Projections: Multiple Paths to Profitability

\$500K

Purchase Price

\$120K

Renovation Costs

\$620K

Total Project Cost

70%

Loan-to-Value

\$350,000 mortgage at 10% interest

Immediate Sale Strategy

If renovated and sold immediately at \$700,000, gross profit would be \$80,000 before financing costs and approximately **\$45,000 after one year of interest**. A \$750,000 sale would generate roughly **\$95,000 in profit**, while a \$650,000 sale would nearly eliminate returns.

10-Year Hold Strategy

With conservative 3% annual appreciation, projected value increases from \$700,000 to approximately **\$940,000**. Assuming interest-only loan structure, equity at sale would be about \$590,000, producing an estimated **\$320,000 profit** from appreciation alone, excluding rental cash flow.

Energy Savings Impact

Energy-efficient upgrades can reduce owner-paid utility expenses by 15-30% for energy and 20-40% for water, potentially generating **\$1,500 to \$3,000 in annual savings**.

Value Creation

At a 6.5% exit cap rate, \$2,000 in annual savings supports roughly **\$30,000 in additional value**, while \$3,000 supports over **\$46,000**, strengthening the long-term hold strategy.