

NEW CONSTRUCTION – OPENING SEPTEMBER 2020!



BANK OF AMERICA
1121 AVENUE J – MIDWOOD – NEW YORK CITY
OFFERING MEMORANDUM

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Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

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As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees,

Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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SPECIAL COVID-19 NOTICE

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Table of Contents

Financial Overview

Investment Overview
Investment Summary & Highlights
Tenant Overview

Location Overview

Location Overview
Market Overview - Manhattan
Market Overview - Brooklyn
Surrounding Area Map
Subway Map
Regional Map

Demographics



FINANCIAL OVERVIEW



Located at 1121 Avenue J – Midwood, New York

PRICE: \$10,926,667 | 4.50% CAP | NOI: \$491,700

PROPERTY DESCRIPTION

Property Name	Bank of America
Property Address	1121 Avenue J
City, State, Zip	Brooklyn, NY 11230
Estimated Interior Size (SF)	7,012
Ownership	Fee Simple

THE OFFERING

Price	\$10,926,667
CAP Rate	4.50%
Annual NOI	\$491,700

LEASE SUMMARY

Property Type	Net-Leased Bank
Ownership	Public (NYSE: BAC)
Tenant/Guarantor	Bank of America, N.A.
Lease Term	20 Years
Lease Commencement Date	May 14, 2020
Lease Expiration	December 31, 2040
Lease Term Remaining	20 Years
Lease Type	Triple-Net (NNN)
Base Term Rental Escalations	See Rent Schedule
Tenant Renewal Options	Five (5), Five (5) Year Option

Tenant shall one-time early termination right to be effective at the end of the Fifteenth (15th) Lease Year by providing written notice no later than 18 months prior.

Annualized Operating Data

Annual NOI	\$491,700
Rental Escalations	Varying

RENT SCHEDULE

Lease Year	Annual NOI	Monthly NOI
Year 1	\$491,700	\$40,975
Year 2	\$491,601	\$40,967
Year 3	\$491,499	\$40,958
Year 4	\$536,394	\$44,700
Year 5	\$536,286	\$44,690
Year 6	\$536,174	\$44,681
Year 7	\$601,060	\$50,088
Year 8	\$600,941	\$50,078
Year 9	\$600,820	\$50,068
Year 10	\$600,694	\$50,058
Year 11	\$690,565	\$57,547
Year 12	\$690,432	\$57,536
Year 13	\$690,295	\$57,525
Year 14	\$690,154	\$57,513
Year 15	\$690,008	\$57,501
Year 16	\$794,859	\$66,238
Year 17	\$794,704	\$66,225
Year 18	\$794,546	\$66,212
Year 19	\$794,382	\$66,198
Year 20	\$794,213	\$66,184
CAP Rate	4.50%	
Purchase Price	\$10,926,667	

Investment Summary

The subject investment is the opportunity to acquire a net-leased Bank of America. The asset is 100% leased to Bank of America with approximately 20-years remaining on the initial term of the 20-year triple-net (NNN) lease. This Bank of America provides an investor with a prime New York City asset in the heart of Brooklyn, New York City's most populated borough. The asset offers the owner an opportunity to purchase a best of class location generational asset with a credit tenant.

The building features three floors (including a cellar) with a total of 7,012 square feet of interior space. The annual net operating income is \$491,700 annually (\$40,975 monthly) and features increases in year 4, year 7, year 11, and year 16. The asset is conveniently located on the corner of Avenue J and East 12th Street, which experience unrivaled foot traffic coupled with exceptional subway access in one of the most growing and historical neighborhoods in NYC.

Investment Highlights

Real Estate Fundamentals:

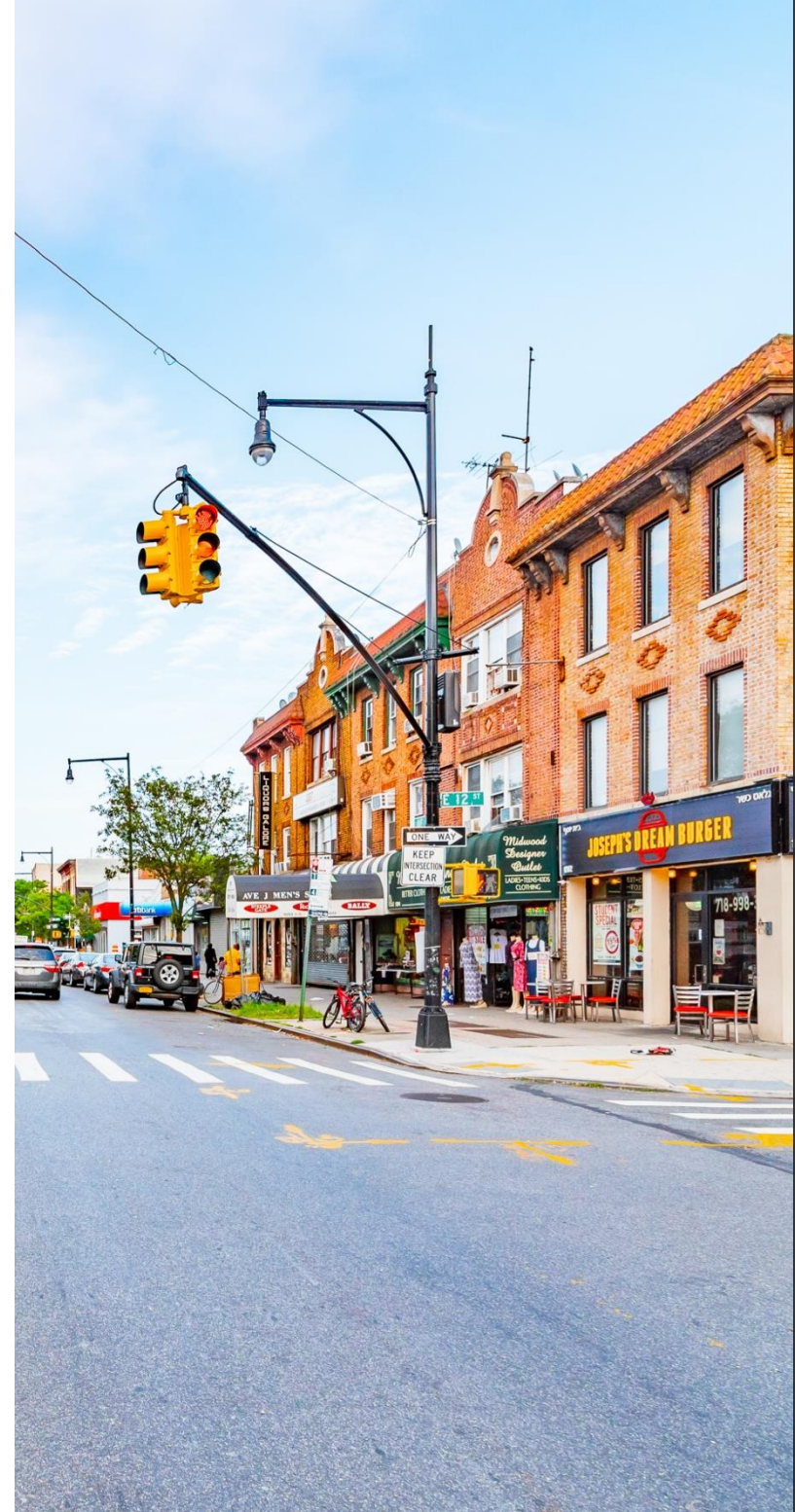
- World-Class Location – Strategically Situated Within Major Residential Neighborhoods and Surrounded by Attractive Points of Interest
- Brooklyn, New York – Highest Populated of New York's Five Boroughs – Offering Convenient Access to Manhattan, Queens and Staten Island
- Approximately 1,121,484 Individuals Residing Within a Three-Mile Radius with an Average Household Income Exceeding \$90,000 Within a Five-Mile Radius

Lease Economics:

- 20 Years Remaining on the Original 20 Year Triple-Net (NNN) Lease
- Rental Increases: Varying (See Rent Schedule) – Strong Inflation Protected Yields
- Vast Upside in Long Term Ownership | 20 Years of Market Appreciation In New York Real Estate

Credit of Tenant:

- Features Excellent Best-in-Class Bank Credit – Bank of America, N.A. Maintains Phenomenal A- Credit Rating



Bank of America

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LOCATION OVERVIEW



Location Overview

This Bank of America property is located at 1121 Avenue J in Midwood, Brooklyn, New York. Brooklyn is one of New York City's five boroughs. Brooklyn is the most populated of the five boroughs, and offers convenient access to Manhattan, Queens, and Staten Island.

Points of Interest

The subject property is strategically positioned in a dense residential and retail corridor benefiting from its close proximity to Hospitals, Academic Institutions, densely populated neighborhoods, Marine Park Golf Course, and other points of interest. Mount Sinai Brooklyn, a 212-bed acute care community hospital in Midwood, is located less than two miles away from the subject property. This Bank of America is also located less than one mile from Brooklyn College, a public college with over 17,500 students enrolled. Additionally, Prospect Park, home to the Prospect Park Zoo and the Brooklyn Botanical Garden, is less than two miles from the subject property.



Demographics

The subject investment property benefits from its robust demographics. More than 140,000 individuals reside within a one-mile radius and there are over 47,000 households in the same area. Between 2010 and 2019, the area saw a 5.47% increase in population. Within a one-mile radius of this Bank of America, the average household income is approximately \$90,000, well above the national average.



LOCATION OVERVIEW



MANHATTAN

Metro

Manhattan is home to more than 1.6 million residents who are part of a much bigger population system; the New York City metropolitan area is the largest in the United States, with approximately 20 million inhabitants in three states. New York City consists of five boroughs with more than 8.5 million people.

Employers

More than half of Manhattan's labor market is involved in financial activities and services sectors. This is because New York City is the headquarters of some of the largest U.S.-based consulting businesses, accounting offices, insurance companies and legal firms, as well as the United Nations. In addition, Manhattan is the financial center of the country and home to the New York Stock Exchange. Many of the world's top banks and securities firms are located here. Major employers in the finance industry based in Manhattan include Goldman Sachs, JPMorgan Chase and Morgan Stanley.

Media conglomerate Time Warner is the largest company in the information sector, employing thousands of people in Manhattan from its headquarters at the Time Warner Center in Midtown. Google also has thousands of workers on payroll, and other large media employers are Viacom and Verizon.

The education and health services sector accounts for 13 percent of jobs in Manhattan. Large employers include New York University, Columbia University, New York-Presbyterian Healthcare, and Mount Sinai Hospital.

Economy

New York City is home to 49 Fortune 500 companies, more than any other metro in the country, and most are located in Manhattan. The city serves as the epicenter for a wide variety of industries, making the performance of its local economy integral to the nation.

New York City is one of the leading financial centers in the world, with many international banks and financial firms maintaining offices in the city. Wall Street is a major driver of the local economy, as a significant number of people are employed directly in the securities industry. The city is a hub for the media, communications and publishing industries. The major television networks have substantial operations in Manhattan, while hundreds of newspapers and magazines and several music-recording companies are headquartered in the city. In addition, New York City is the advertising capital of the United States and has a growing presence in the Internet/new media field. The entertainment and tourism industries are crucial to the Manhattan economy, with numerous theaters and attractions drawing billions of dollars each year.

Manhattan is also an important location for many retailers, both national and local. Retail sales in the borough typically grow faster than the U.S. rate; this year, Manhattan will exceed the national sales growth average with a rate of 9.3 percent. In addition, many major technology firms are expanding in the borough.



Brooklyn, one of the five boroughs of New York City is separated from Manhattan by the East River and is bordered by the Upper and Lower New York bays (west), the Atlantic Ocean (south), and the borough of Queens (north and east). Brooklyn is both residential and industrial and also handles a vast amount of oceangoing traffic. There are many educational institutions, including Pratt Institute (1887) and branches of the Polytechnic University, the City University of New York, the State University of New York, and Long Island University. Several colonial churches, Coney Island, the Brooklyn Botanic Garden and Arboretum, the Brooklyn Museum, and the Brooklyn Children's Museum are in the borough.

In the early 1900s, it was a mecca for immigrants arriving via Ellis Island. A hundred years later, young professionals and artists left pricey Manhattan digs for Brooklyn's cheaper and more expansive space. Neighborhoods like Brooklyn Heights and Park Slope were restored and reborn as funky enclaves. Walk or bike over the historic Brooklyn Bridge (or ride the subway) to Brooklyn Heights for a stroll along the Promenade and breathtaking views of the Manhattan skyline. Catch a performance at the world-famous Brooklyn Academy of Music. From the delicious Italian restaurants of Bensonhurst to the Irish bars that line the avenues of Bay Ridge, from the hotdogs and rollercoasters of Coney Island to the bagels and handball courts of Greenpoint, Brooklyn is a state of mind as well as a dynamic community.



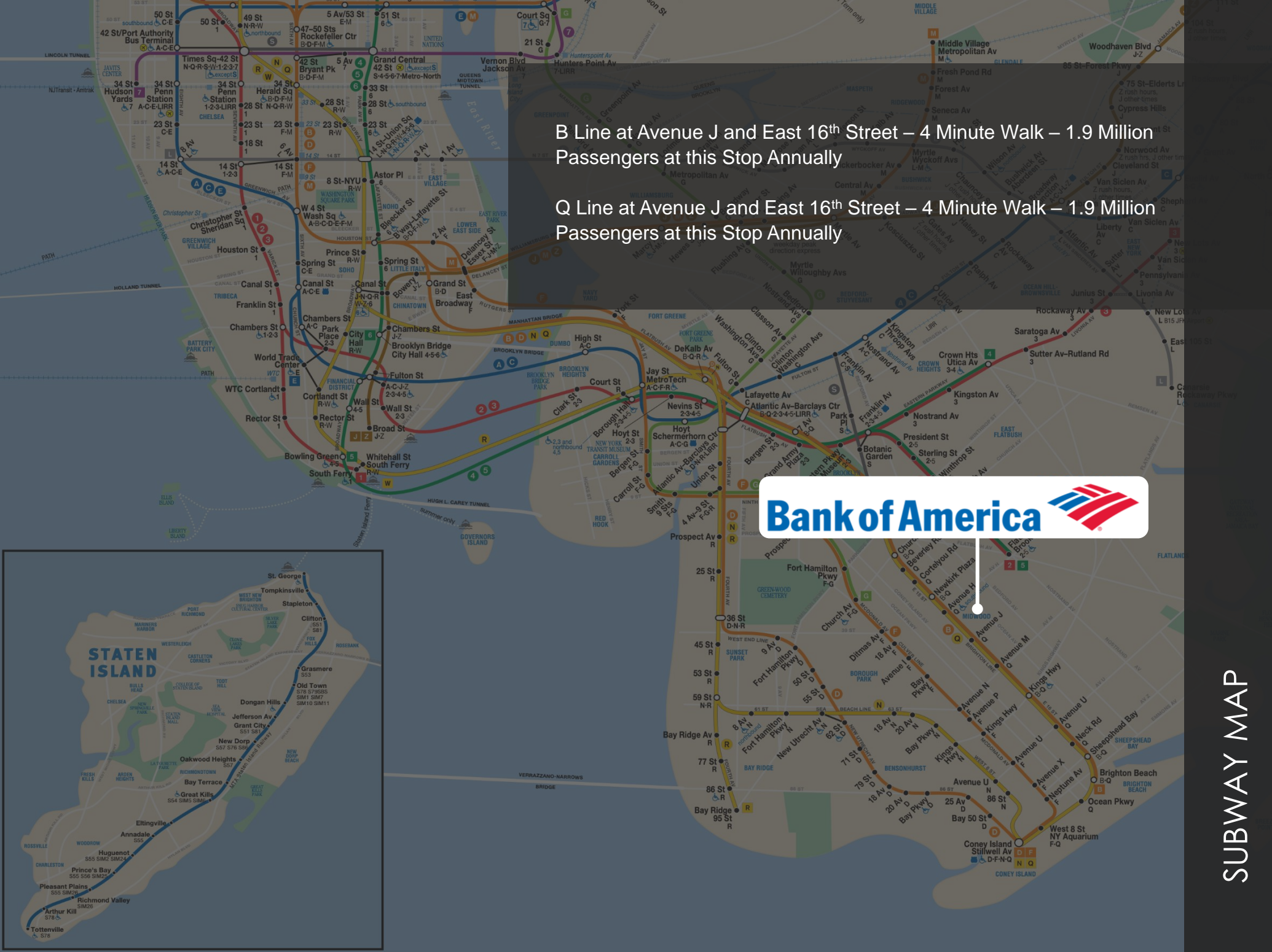


CONEY ISLAND AVE

ADTC:24,000



ADTC: 21,000
AVENUE J



B Line at Avenue J and East 16th Street – 4 Minute Walk – 1.9 Million
Passengers at this Stop Annually

Q Line at Avenue J and East 16th Street – 4 Minute Walk – 1.9 Million
Passengers at this Stop Annually



SUBWAY MAP





DEMOGRAPHICS





Population Trends:

	1 Mile	3 Miles	5 Miles
2024 Projection	140,744	1,097,536	2,051,213
2019 Estimate	141,470	1,121,484	2,077,308
2010 Census	134,129	1,160,587	2,052,320

Population by Race (2019):

White	99,783	574,026	966,046
Black	17,602	294,644	754,785
Am. Indian & Alaskan	697	7,644	15,461
Asian	20,674	220,104	285,754
Hawaiian & Pacific Island	83	929	1,885
Other	2,631	24,137	53,377

Household Trends:

2024 Projection	47,627	378,802	756,778
2019 Estimate	47,876	387,521	766,654
2010 Census	45,395	403,269	758,425
Owner Occupied	14,301	121,134	213,522
Renter Occupied	33,575	266,387	553,132

Average Household Income (2019):

\$88,569	\$86,203	\$90,034
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Households by Household Income (2019):

<\$25,000	11,751	86,446	185,412
\$25,000 - \$50,000	9,015	77,210	140,461
\$50,000 - \$75,000	7,257	58,355	108,178
\$75,000 - \$100,000	5,119	48,291	87,664
\$100,000 - \$125,000	4,194	35,852	66,428
\$125,000 - \$150,000	2,456	22,466	44,786
\$150,000 - \$200,000	3,460	28,627	59,573
\$200,000+	4,624	30,274	74,152

DEMOGRAPHICS

Midwood – Brooklyn, NY

Marcus & Millichap

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