

METROPOLITAN VALUATION SERVICES

REAL ESTATE CONSULTING AND APPRAISAL

December 6, 2016

Hon. Margery Perlmutter, Chair
NYC Board of Standards and Appeals
250 Broadway, 29th Floor
New York, NY 10007

re: Congregation Shearith Israel
6-10 West 70th Street
New York, NY

Dear Chair Perlmutter:

This letter is written in response to the above-referenced application by Congregation Shearith Israel ("CSI"). I am a professional with more than 40 years' experience in real estate appraisal (bio attached).

CSI seeks special approval from the Board to construct a community house with five residential floors on top. The Board approved a previous scheme in 2008 that CSI claimed would yield a return of 10.93% on the residential portion of the building, based on a net project value of \$34,210,000 (the sum of the residential condominium unit sales, less sales commissions) and a total investment of \$26,731,000.

This analysis was performed more than eight years ago. Neither additional nor updated financial analysis was submitted as part of this application. Even without further analysis, it is obvious that the 2008 financial analysis is now irrelevant and the entire development proposal should be revisited using present market economics to show a current projected return on investment, both of the proposed and as-of-right scenarios.

In addition, there is evidence that the project may have changed significantly since the 2008 application. In 2008, CSI provided detailed information indicating that the residential portion of the building would contain five apartments, with a total sale value of \$36,394,399. However, in 2012, CSI submitted plans to the New York State Attorney General as part of a market test application. The application states "Sponsor intends to erect a building containing a multi-floor community house for the congregation with a single multi-floor residential unit above the community house." The application described the residential unit as being 20,000 square feet in size, to be offered for an estimated purchase price of \$60,000,000, which is almost double the total sale value projected in 2008. I note that since the application was formulated in mid-2012 prices for newly built projects in Manhattan have soared. According to statistics published by such reliable industry sources as Douglas Elliman, Brown Harris Stevens and Corcoran, newly built condos in Manhattan have increased in value by averages ranging between 46% and 78%



METROPOLITAN VALUATION SERVICES, INC.
44 East 32nd Street – Eleventh Floor
New York, NY 10016
Phone (212) 213-8650 Fax (212) 213-8621

Hon. Margery Perlmutter, Chair
NYC Board of Standards and Appeals
December 6, 2016
Page Two

re: Congregation Shearith Israel
6-10 West 70th Street
New York, NY

since 2012. Application of a 50% figure to the applicant's submission suggests an as current purchase price of \$90,000,000. Clearly, the economic feasibility must be reconsidered in light of this apparent 65% increase in sales value above the applicant's on the record submission.

Thank you for your consideration.

Very truly yours,

METROPOLITAN VALUATION SERVICES, INC.



By: Martin B. Levine, MAI
Chairman



METROPOLITAN VALUATION SERVICES, INC.
44 East 32nd Street – Eleventh Floor
New York, NY 10016
Phone (212) 213-8650 Fax (212) 213-8621

METROPOLITAN VALUATION SERVICES (“MVS”) is a commercial property valuation and real estate consulting practice headquartered in New York City. Together, its two principals have more than 55 years of professional real estate appraisal and valuation experience. MVS distinguishes itself through its corporate culture that places client service and satisfaction at the forefront of all assignments while delivering a top-quality product in the most efficient manner.

MVS offers a full range of real estate valuation services, including appraisals, feasibility studies, highest and best use analyses, market studies, and appraisal review. In addition to having expertise in the valuation of office, industrial and multifamily properties, specialized valuation services include affordable housing, HUD, Freddie Mac and Fannie Mae, senior housing and nursing homes, and hospitality. MVS principals also have appeared as expert witnesses and have extensive experience with litigation support.

The company is under the joint direction of Martin B. Levine and Steven J. Schleider. Both hold the prestigious MAI designation from the Appraisal Institute. Mr. Levine was formerly the manager of the New York office of a national real estate valuation and due diligence firm headquartered in New York City. Mr. Levine joined that company after its inception in 1990 and soon recruited Mr. Schleider. During the past decade, Mr. Levine was principally responsible for building the New York office into a thirty-person regional appraisal power. Mr. Schleider formed and managed the Multifamily Division, specializing in the multifamily and senior housing markets. Mr. Schleider is the most recognized New York professional in his field of expertise and dominates the market share for valuation assignments within the New York metropolitan area. Together, Messrs. Levine and Schleider were responsible for the growth and development of the core appraisal and consulting business.

Both principals co-manage MVS. Mr. Levine is primarily responsible for the appraisal of commercial, non-multifamily properties, as well as for the company’s quality control, reporting format, staff development and business relationships. Mr. Schleider oversees the multifamily and the senior housing valuation services and is also responsible for business management, supervision of computerized automation and long-range planning.



METROPOLITAN VALUATION SERVICES, INC.
44 East 32nd Street – Eleventh Floor
New York, NY 10016
Phone (212) 213-8650 Fax (212) 213-8621

MARTIN B. LEVINE, MAI
CHAIRMAN - METROPOLITAN VALUATION SERVICES

MARTIN B. LEVINE is a co-founder of Metropolitan Valuation Services, Inc. Mr. Levine is primarily responsible for the appraisal of commercial, non-multifamily properties, as well as for the company's quality control, reporting format, staff development and business relationships.

Mr. Levine has more than 40 years of experience in real estate appraisal. During his career Mr. Levine has appraised virtually every property type and performed a vast array of consulting assignments including feasibility and alternative use studies. Mr. Levine's clients include local, regional, national and foreign banks, Wall Street conduits, insurance companies, pension funds, private investors, government agencies and attorneys.

As a former executive vice president of a national valuation and due diligence firm for fourteen years, Mr. Levine oversaw one of the largest staff of professional appraisers in the Metropolitan New York area. Mr. Levine's responsibilities included marketing and professional oversight of five appraisal teams led by specialists in Metropolitan New York commercial and multifamily valuation, hospitality, retail, and New Jersey. Appraisal assignments included trophy office buildings, regional shopping centers, major industrial complexes, large-scale multifamily complexes and hotels. Properties appraised were concentrated in Metropolitan New York, but many clients utilized the firm for their national assignments, including multi-property portfolios.

Previous appraisal experience includes eleven years at The Chase Manhattan Bank, where Mr. Levine managed the largest institutional appraisal staff in New York City and oversaw all appraisals conducted for bank clients doing business in New York. Mr. Levine was also the Director of Real Estate Consulting for Planned Expansion Group, where he managed a small consulting group attached to an architectural and planning concern. Assignments included appraisals, land use and feasibility studies and economic forecasting.

Mr. Levine is a designated member of the Appraisal Institute (MAI) and is certified by the State of New York as a real estate General Appraiser. Mr. Levine received his Bachelor of Architecture and Master of City and Regional Planning degrees from Pratt Institute and has completed numerous courses in finance and real estate. He has served as Chairman of the Admissions Committee of the Metropolitan New York Chapter of the Appraisal Institute, and he has served on the Chapter's Board of Directors. Mr. Levine has been qualified and testified as an expert witness in New York, Brooklyn, Newark, Riverhead and Mineola courts.

METROPOLITAN VALUATION SERVICES, INC.
44 East 32nd Street – Eleventh Floor
New York, NY 10016
Phone (212) 213-8650 Fax (212) 213-8621



UNIQUE ID NUMBER
46000003834

State of New York
Department of State

DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
Control
No. **87875**

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

EFFECTIVE DATE

MO.	DAY	YR.
12	24	15

LEVINE MARTIN B
C/O METROPOLITAN VALUATION SER
44 E 32ND ST 11TH FL
NEW YORK, NY 10016

EXPIRATION DATE

MO.	DAY	YR.
12	23	17

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.

CESAR A. PERALES
SECRETARY OF STATE

DOS-1098 (Rev. 3/01)



METROPOLITAN VALUATION SERVICES, INC.
44 East 32nd Street – Eleventh Floor
New York, NY 10016
Phone (212) 213-8650 Fax (212) 213-8621