



Goodman-Marks Associates, Inc.

REAL ESTATE APPRAISERS AND CONSULTANTS

APPRAISAL REPORT

Proposed Residential/Community Facility Condominium Development
8 West 70th Street
Lincoln Square, New York, New York

DRAFT

PREPARED FOR:

Mr. Louis Solomon
President
Congregation Shearith Israel
8 West 70th Street
New York, NY 10023

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Addenda

New York City Department of Buildings Permit



Goodman-Marks Associates, Inc.

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September 17, 2015

Mr. Louis Solomon
President
Congregation Shearith Israel
8 West 70th Street
New York, NY 10023

Re: Proposed Residential/Community Facility
Condominium Development
8 West 70th Street
Lincoln Square, New York, New York
Our File No. 15-713

Dear Mr. Solomon:

Pursuant to your request, we have inspected and appraised the above-captioned property, which is located on a rectangular parcel of land located on the south side of West 70th Street, between Central Park West and Columbus Avenue, in the Lincoln Square neighborhood of the Borough of Manhattan, City and State of New York. The property is identified on the tax maps of New York as Block 1122, Lot 37.

The subject property consists of a rectangular parcel containing a total of 6,432± square feet of R8B (73.44%) and R10A (26.56%) residential zoned land, according to information provided to us by the zoning analysis plans created by the architect (Platt Byard Dovell White). The NYC public records indicate the land area of the subject property (Lot 36) contains 6,427± square feet; however, we have utilized the information from the zoning analysis provided. At the time of inspection, the site was vacant land and was waiting for the current demolition permit to be signed off by NYC Department of Buildings. According to the NYC DOB, a permit was issued on 5/8/2015 for the demolition of the previously existing, four-story building (Job No. 122185839). Additionally, as of 5/4/2015, or permit was approved for the construction of a nine-story, 41,565± square foot mixed use building containing 20,013± square feet of community facility space located on floors one through four and 21,551± square feet of residential condominiums located on floors five through nine. Additionally, the building will contain a total of 13,258± square feet located on the cellar and sub-cellar levels.

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According to the Department of Buildings, the architectural drawings were prepared by Platt Byard Dovell White Architects, LLP (20 West 22nd Street, New York, New York) and approved as-of-right on July 30, 2014 (See Addenda). The final product will be a nine-story, elevator-serviced, mixed-use building with community facility use space on floors one through four and luxury condominiums on floors five through nine. This report assumes the proposed property will be built as described and detailed in the provided plans.

Proposed Subject Property Layout

Zoning Plans	Size
Community Facility	(Sq. Ft.)
Lower Level I	6,629
Lower Level II	<u>6,629</u>
Total Lower Level Area	13,258
First Floor	6,094
Second Floor	5,892
Third Floor	4,976
Fourth Floor	<u>4,976</u>
Total Community Facility Area	21,938
Residential	
Fifth Floor	4,343
Sixth Floor	4,196
Seventh Floor	4,183
Eighth Floor/Ninth Floor (Penthouse)	6,763
Tenth Floor (Bulkhead)	<u>272</u>
Total Residential Area	19,757
Total Above Grade Gross Building Area	41,695
Total Area (Including Lower Level)	54,953

The subject property parcel (Lot 37) is located to the west of a rectangular corner parcel (Lot 36) which is owned by the same entity (Cong Shearith Israel) and currently improved with a Landmarked, two-story, religious facility. According to the zoning analysis provided to us and the New Building permit from the NYC Department of Buildings, the subject property (Lot 37) will use the excess development rights from Lot 36 in order to complete the construction of the proposed development. Additionally, there was a zoning lot merger which occurred between Lots 36 & 37 on January 29, 2015 (CRFN: 2015000050524).

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According to the information provided to us in the zoning analysis from Platt Byard Dovell White, the portion of the subject property located in the R8B zoning district (4,723.5± square feet) can achieve an as-of-right FAR of 4.0 and the portion of the subject property located in the R10A zoning district (1,708.5± square feet) can achieve an as-of-right FAR of 10.0. Therefore, the vacant subject property (Lot 37) has an as-of-right maximum buildable area of 35,979± square feet. We have included an analysis of the maximum buildable area in the following chart:

Zoning Analysis (Lot 36) – (Excerpted from Platt Byard Dovell White Analysis)

	% of Zoning	Max	Total	% of
Zoning	Sq. Ft.	FAR	Buildable	Zoning
R8B	4,723.5	4	18,894	73.44%
R10A	1,708.5	10	17,085	26.56%
Total	6,432.0	5.59	35,979	

The developer of the subject property anticipates that construction will begin in October 2015 and we have estimated the construction to be completed in twelve months, or October 2016. Based on provided documentation, the estimated remaining cost, including contingencies, to construct the new improvements for the site clearing and demolition is \$600,000.00, for the residential occupancy is \$26,329,272 in hard costs, \$6,345,745.00 in soft costs (exclusive of financing costs) and \$1,792,236 in miscellaneous costs, for a total of \$35,067,253.

The purpose of this appraisal report is to estimate the market value of the subject property under the following scenarios.

- 1) "As Is" Market Value,
- 2) "Prospective as complete" value of the subject property as developed into a residential/community facility market building, pursuant to the proposed building plans,
- 3) "Prospective as complete" value of the net proceeds from the sale of the luxury residential condominium units

The intended use of this appraisal is to assist the intended users in understanding the value of the underlying asset, subject to the extraordinary assumptions and limiting conditions contained within the report. The intended users of this appraisal are Mr. Louis Solomon and those persons authorized by the Congregation Shearith Israel to utilize this report.

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This appraisal report conforms to the guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), as promulgated by the Appraisal Standards Board of the Appraisal Foundation, the Code of Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. We are not responsible for unauthorized use of this report.

We have not been provided with any title documentation for the subject property. Therefore, we were unable to determine whether the subject is burdened by any restrictions, encumbrances or use limitations that may have a substantial impact on the property. Any undisclosed restrictions and/or limitations on the use of the subject property could affect our value estimates.

We did not investigate the subject property for contaminants or environmental hazards (site or building), because environmental audits must be conducted by professional environmental specialists. Should an environmental audit disclose the presence of contaminants on the subject site and/or in the building, this finding could affect our value estimates. This appraisal assumes that the subject site will be developed in accordance with the building plans as submitted to us, and that the developer will receive all the necessary building permits from the New York City Department of Buildings for the development, including the final issuance of a Certificate of Occupancy. This appraisal is intended to be used in the underwriting of a mortgage for the subject property.

In arriving at the appraised values, we have given consideration to all items influencing value, including the location of the subject property, existing and projected competition, continued demand, current and anticipated market conditions, current mortgage rates, actual income, expenses and lease terms, government rules and regulations, income rates for similar properties, as well as the rates of return of competitive properties and investments.

It is our opinion that the "As Is" market value of the fee simple estate of the subject property, as of the date of inspection, July 17, 2015, was:

THIRTY SIX MILLION DOLLARS
(\$36,000,000.00)

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It is our opinion that the "prospective as complete" value of the subject property as developed into a residential/community facility condominium market building, pursuant to the proposed building plans, *predicated upon the extraordinary assumptions and limiting conditions as defined within the body of this report*, as of October 2016, will be:

EIGHTY NINE MILLION NINE HUNDRED THOUSAND DOLLARS
(\$89,900,000.00)

It is our opinion that the "prospective as complete" value of net proceeds from the sale of the luxury residential condominium units, *predicated upon the extraordinary assumptions and limiting conditions as defined within the body of this report*, as of October 2016, will be:

SIXTY ONE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$61,300,000.00)

A report of 129 pages, plus Addenda, is attached hereto and made part hereof, and the valuation is expressly made subject to the conditions and comments made herein.

Very truly yours,

GOODMAN-MARKS ASSOCIATES, INC.

Matthew J. Guzowski, MAI, MRICS
President
Goodman-Marks Associates, Inc.
Certified General Real Estate Appraiser
New York Certificate #468986

Matthew F. Boylan
Senior Vice President
Goodman-Marks Associates, Inc.
Certified General Real Estate Appraiser
New York Certificate #4651008

Zachary Hendrickson
Assistant Vice President
Goodman-Marks Associates, Inc.
Real Estate Appraiser Assistant
New York Certificate #4851266

CERTIFICATE OF APPRAISAL

Premises: 8 West 70th Street – Lincoln Square, New York, New York

We, Matthew J. Guzowski, Matthew F. Boylan and Zachary Hendrickson, certify that, to the best of our knowledge and belief:

THAT, the statements of fact contained in this report are true and correct.

THAT, the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;

THAT, we have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved;

THAT, we have performed no services, as an appraiser(s), regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;

THAT, we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;

THAT, our engagement in this assignment was not contingent upon developing or reporting predetermined results;

THAT, our 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;

THAT, our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice (USPAP)* as well as the *2010 Interagency Appraisal and Evaluation Guidelines*;

THAT, we have each made a personal interior and exterior inspection of the property that is the subject of this report;

THAT, no one provided significant real property appraisal assistance to the person(s) signing this certification;

THAT, the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

THAT, the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;

THAT, as of the date of this report, Matthew J. Guzowski, has completed the continuing education program for Designated Members of the Appraisal Institute

DATE: September 17, 2015

Matthew J. Guzowski, MAI, MRICS
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