

KING PENGUIN

PROPERTIES

KPP Newsletter

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In This Issue

[KPP Distressed Fund Secures 'Key Man' Policy for Fund](#)

[Monitored Transaction Mixed Use NYC](#)

[Monitored Transaction – Multi-Family Building NYC](#)

KPP Links

[About Us](#)

[Portfolio Press Philanthropy](#)

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William Penn
Life Insurance Company of New York
... A Partnership for Life

KPP Distressed Fund just took out a 'Key Man' Policy to provide investors in the fund protection in the case the current management team is unable to perform day-to-day duties for the fund. This policy was underwritten by William Penn Life Insurance. Please contact us for more information.



MONITORED TRANSACTIONS NYC

This building below contains 20 rent-stabilized units and provides plenty of upside as in-place rents are well below free market rents. With the current in-place J-51 tax abatement, this property generates well over a 6% cap rate assuming a purchase price of \$1.8 million or \$92k per unit, under 8X GRM.

This is a mixed-use building with 2 ground floor retail tenants that have been in place for some time and have many years remaining on their lease commitments.





This property is located in the Washington Heights area of Manhattan. It presents an interesting opportunity with upside potential since 25% of the total residential units are rent-controlled. Rent-controlled tenants in NYC are notorious for paying far below free market rates and as times passes are becoming less and less common. Currently less than 2% of the entire residential housing stock in NYC is rent-controlled, while over 45% of the NYC stock is rent-stabilized. Tenants that are rent-controlled in this building are paying under \$200 per month for large 3-bedroom and 4-bedroom units.

We like this deal since the potential for upside in cash-flow exists along with a 6% cap rate upon acquisition on existing actual income. There also is a current assumable loan in-place that offers attractive terms.

Sincerely,
From The Management Team
King Penguin Properties