



KING PENGUIN

PROPERTIES

KPP Newsletter

February 2010



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KPP is hosting another Networking Event from 6:30 to 8:30PM on Wednesday, April 7th. This event will also include a presentation on KPP Distressed Fund.

Space is limited. Please contact Katrina Abel for more information.
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KPP recently bought a minority stake in a 93 unit NYC based multi-family property. This property consists of rent-stabilized and rent-controlled units with future cash flow upside as in-place rents are 25% below market comparables.

KPP will not manage this property nor have a controlling stake but our ownership of this asset is in-line with our current strategy to add to our holdings of lower risk NYC based multi-family assets.

Once KPP Distressed fund acquires their first NYC based asset, then KPP will manage this property in-house. Given the substantial time element involved, KPP will not manage a property unless KPP Distressed Fund takes a controlling stake.



Monitored Transaction:

- 35 unit Mixed-use building could be acquired from a \$10 billion private equity fund in need of liquidity.
- Property was purchased in 2005 for \$3.8 million. KPP Distressed Fund could go under contract for \$3.81 million at just under an 8x GRM
- Deal would be cash flow positive from acquisition date.

**Happy Holidays,
From The
Management Team
King Penguin
Properties**

