

# MERCER

NYC METRO: 1ST SMART-HOME  
DEVELOPMENT IN JERSEY CITY



## **CONFIDENTIAL.**

By accepting this **private memorandum**, you, the **offeree** shall keep in confidence the contents of this **memorandum** and the contents of any and all attachments. Information herein shall only be shared with the **offeree's accounting** and **legal counsel**.

# INVESTMENT HIGHLIGHTS

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## **COMMUTER'S HEAVEN**

Access to Downtown Manhattan from Journal Square PATH Train in 12 minutes.



## **"MILLENNIAL WET DREAM"**

A safe haven for young professionals to escape the bustle of NYC in a tranquil and affordable residential neighborhood.



## **BOOMING SUBMARKET**

Jersey City is one of NYC Metro's hottest neighborhoods, with thousands of new residents, stores, bars, and restaurants.



# JSQ<sup>2</sup>: MERCER



10-unit luxury building



Opening in 2020



10 minute walk from Journal Square PATH



Unobstructed skyline view



AI-powered smart tech building

# SMART HOME LIVING



24/7 iPhone surveillance



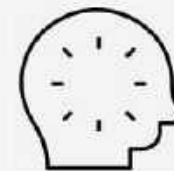
Lime eScooter hub



Free Lyft rides



Free unlimited CitiBike



Smart-home tech powered

# Project Costs

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\$1.86M  
**Total Cost**



\$688k  
**Equity**



63  
**LTC**

# Target Returns

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11.2%

**Yield on  
Cost**



19.54%

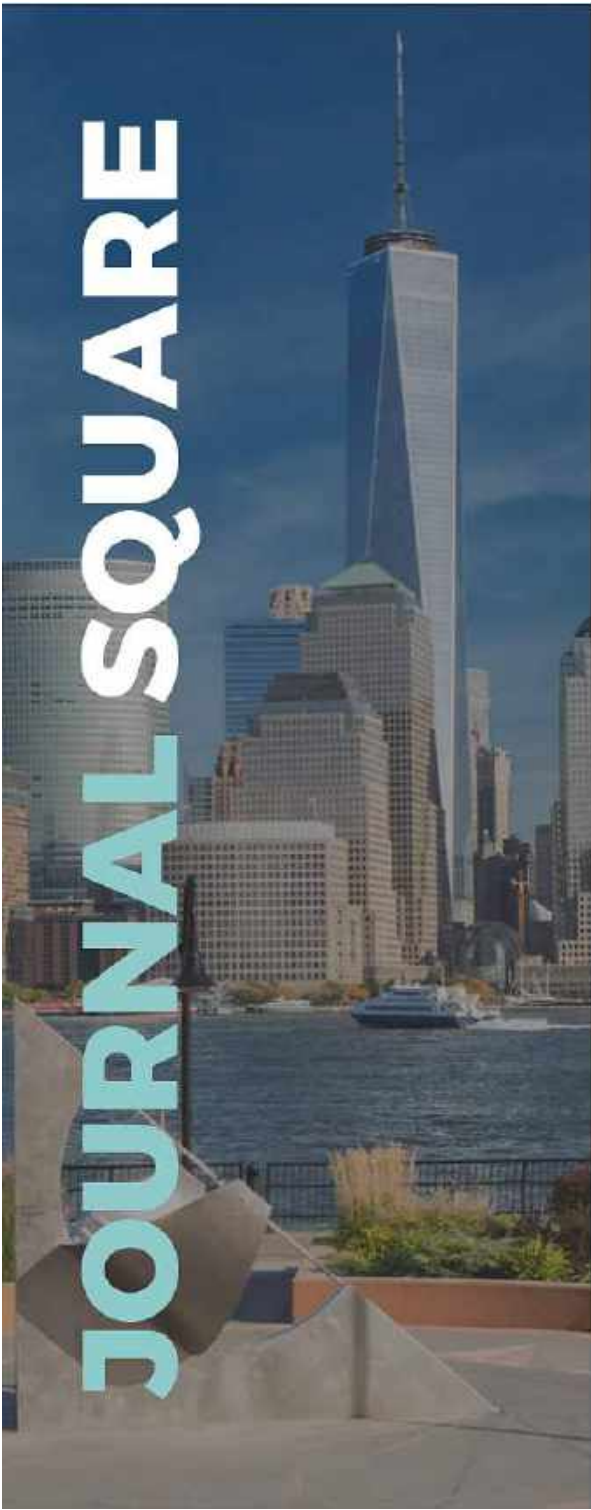
**IRR**



\$4.24M

**Terminal  
Value**





**JSQ<sup>2</sup>**  
**DEVELOPMENT**  
**BOOM**




# Press Highlights

**The New York Times**

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## Jersey City Grows Up

More singles who moved to the area are choosing to stay when they start families and are pushing into nearby waterfront towns like West New York and Weehawken.



**The Changing Jersey Waterfront**

9 Photos | View Slide Show >

**nj.com**  
True Jersey

ENTERTAINMENT

## How the hottest real estate market in N.J. literally divides this tiny town

Updated Sep 11, 2017; Posted Sep 11, 2017



Gallery: Weehawken through the y

**BiggerPockets**

Real Estate News & Commentary

## 10 Reasons THIS Is the Next Hot NYC Metro Neighborhood



**JERSEY DIGS**

Home + Jersey City

Development | Jersey City

## 'Monticello Triangle' Project Could Rise Over McGinley Square

By Jared Kofsky - July 17, 2018



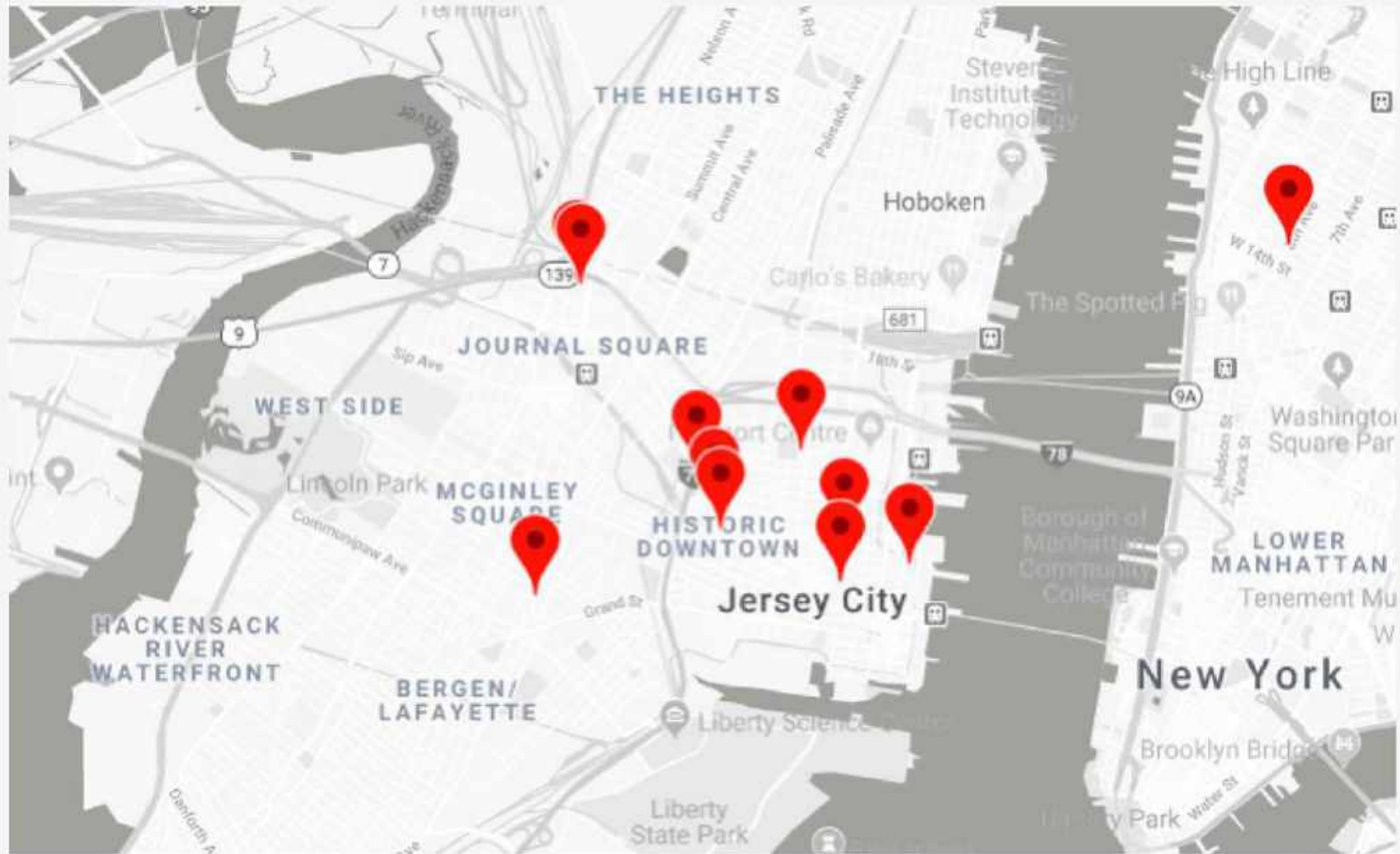
# Approved Projects

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# Completed Projects

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# New Development: 533 Mercer Street



300-unit  
luxury  
building



Under  
construction



Same block  
as Mercer



Unobstructed  
skyline view



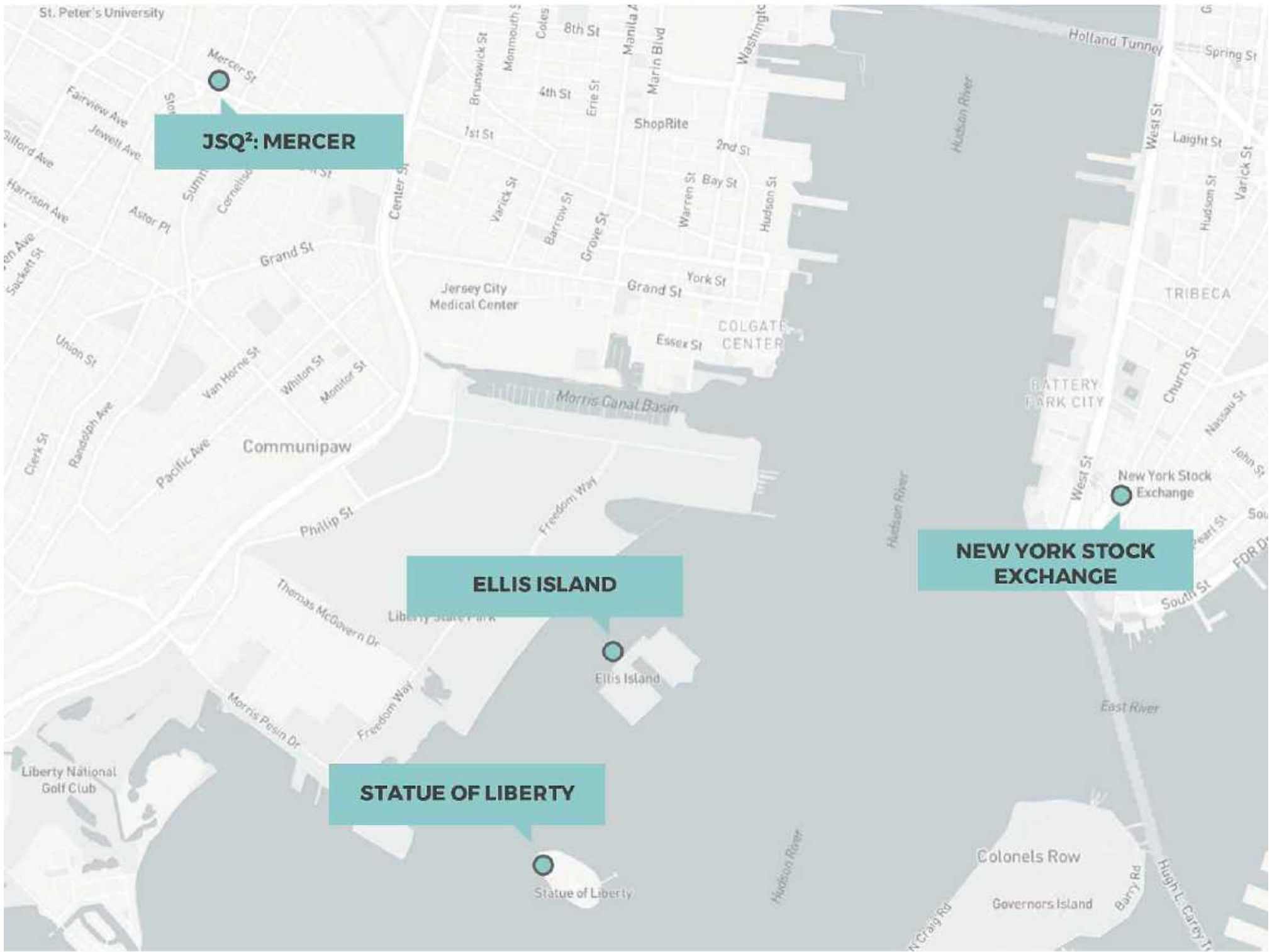
4,000 square  
feet of retail  
space





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## **AREA & LOCATION**



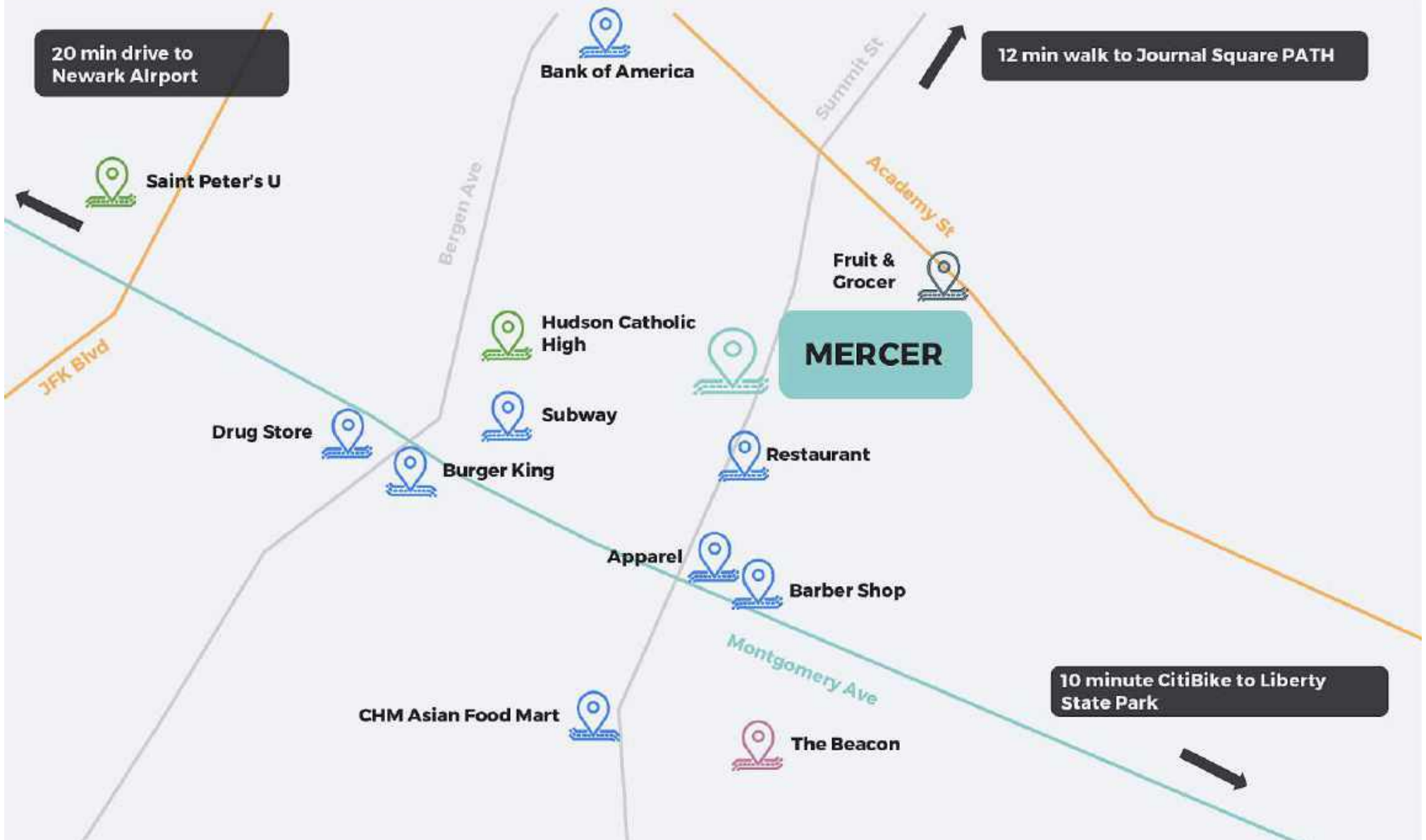
**JSQ²: MERCER**

**ELLIS ISLAND**

**STATUE OF LIBERTY**

**NEW YORK STOCK EXCHANGE**

# Area: Jersey City







## **LIBERTY STATE PARK**

The symbol of America,  
featuring The most iconic,  
historic landmark in  
America.



## **WORLD TRADE CENTER**

11 minutes by PATH/Subway and you're



## **HISTORIC WALL STREET**

The Capital of Commerce, NYC's Wall  
Street District is a five-minute boat ride  
away.



# HISTORIC WALL STREET DISTRICT

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Business Capital of  
the World



Home of the NYSE



The world's largest  
stock exchange



5 minutes by ferry  
from Jersey City

# LIBERTY STATE PARK

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Statue of Liberty



Ellis Island



**The Three Skylines:**

JC, BK, Manhattan



10 minute CitiBike  
ride away



# WORLD TRADE CENTER

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7-building complex  
in the Financial  
District



**12 minutes** from  
Journal Square



Iconic landmark

# MADISON SQUARE GARDEN

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“World’s Most Famous Arena”



**18 minutes** from Journal Square

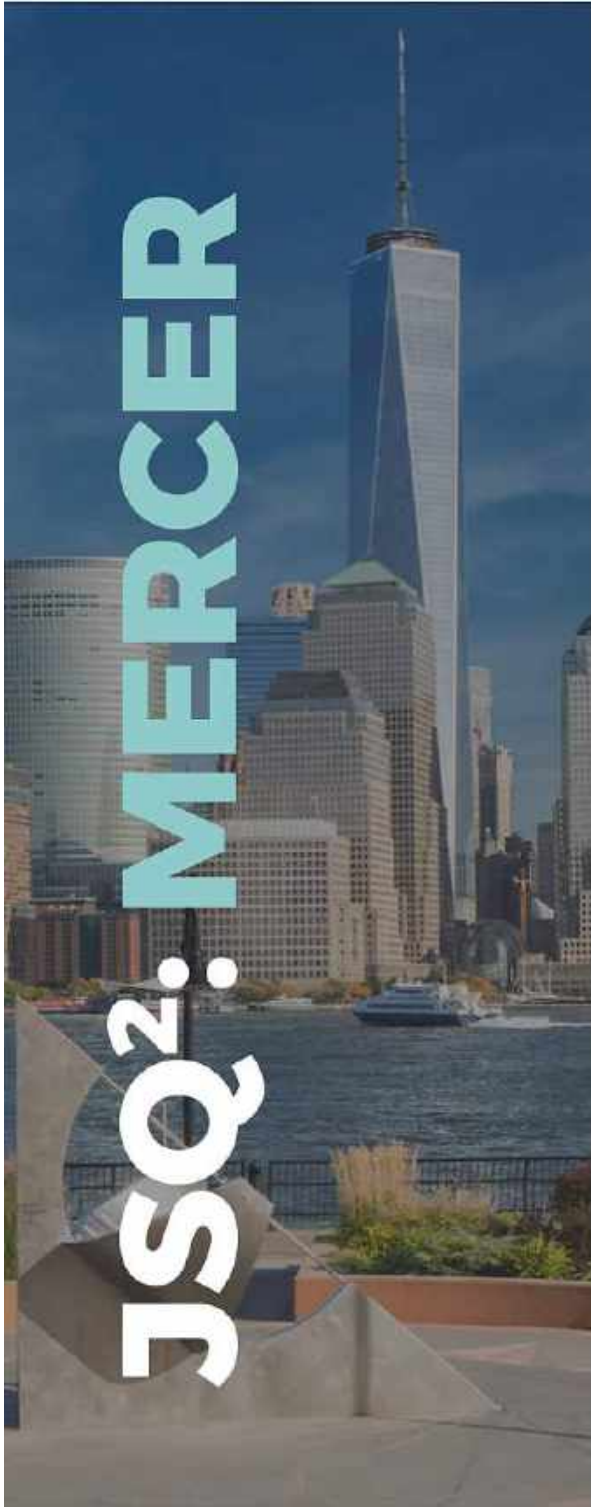


Top tourist attraction



200+ concerts/sporting events annually





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# THE UNITS

The **Millennial  
wet dream:**

Breath-taking  
Scandinavian  
interior design.

Complete with  
views of NYC  
skyline...





... AI-powered  
units mixed  
with

Billionaire's  
Row  
amenities.

The  
“Instagram  
lifestyle” at  
affordable  
rates.



Well-crafted  
floor-plans with  
floor-to-ceiling  
windows.

Keyless entry  
and smart  
home tech.

All controlled  
from the phone.





# INSIDE THE APARTMENTS



CLICK TO VIEW

# JSQ<sup>2</sup>: MERCER

## New York & New Jersey Subway Map

This map depicts the current network of the New York City Subway and the New Jersey Transit Light Rail system, including the Hudson Light Rail and the Hudson-Bergen Light Rail.

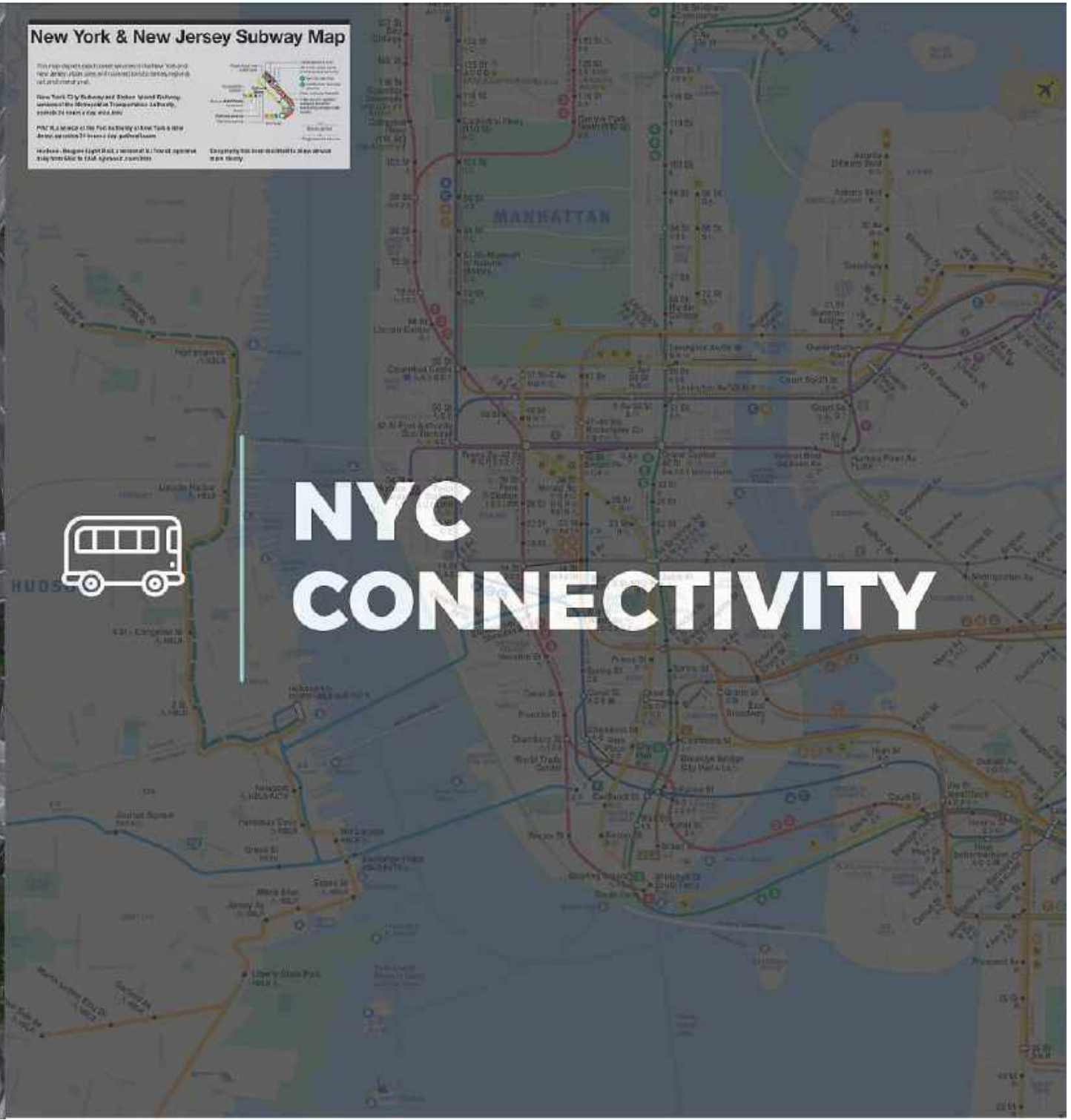
New York City Subway and Staten Island Railway services are shown in the map. The New Jersey Transit Light Rail services are shown in the map.

MTA is a service of the Port Authority of New York & New Jersey.

Hudson-Bergen Light Rail is a service of the Port Authority of New York & New Jersey.



# NYC CONNECTIVITY







## LIME HUB

5 min to Journal  
Square Station

## LYFT

Free  
rides for tenants



## PATH TRAIN

12 min ride to  
World Trade Center



## CITIBIKE

Unlimited rides for  
tenants



# PATH/SUBWAY MAP

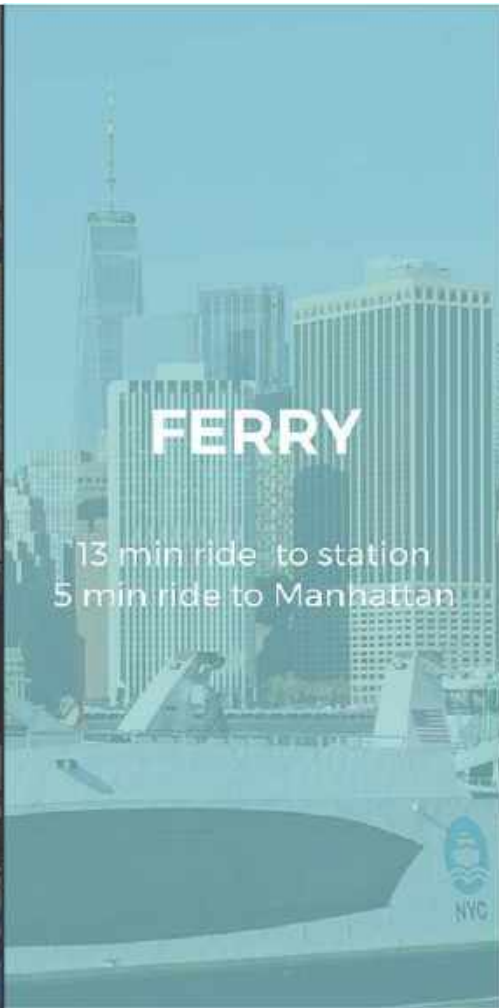






# CITI BIKE

5 min to Journal Square Station



# FERRY

13 min ride to station  
5 min ride to Manhattan



# LYFT

Partnership provides discounted and free rides for tenants



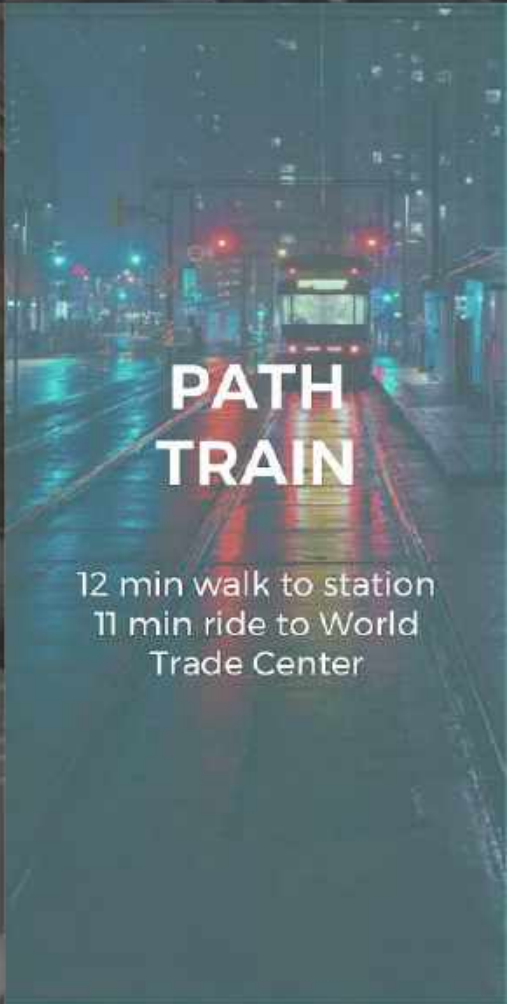
# LIME SCOOTER HUB

5 min to Journal Square Station



# CAR

15 min drive to Manhattan



# PATH TRAIN

12 min walk to station  
11 min ride to World Trade Center



**JSQ<sup>2</sup>: MERCER**



**NYC vs. JC:**  
**THE UPSIDE**

# Compelling development costs

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**COSTS PER BUILDABLE SQ. FT.**



**\$681 PSF**  
Manhattan



**\$206 PSF**  
Brooklyn



**\$145 PSF**  
Jersey City

# Luxury market rental rates

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AVERAGE RENTAL PRICE PER SQ. FT.



**\$6.66 PSF**

Manhattan



**\$4.10 PSF**

Brooklyn



**\$3.75 PSF**

Jersey City



# Strong Rent Growth

Between 2010 and Q3 2017, Hudson County's asking rent grew at an average of 2.6% per year, despite the delivery of nearly 14,000 units during that same period.

REIS projects that from 2018 to 2021, average asking rents in Hudson County will continue to grow at a rate of 1.7% a year.

**Average Asking Rent Hudson County ABC**



Source: REIS and Douglas Elliman

## New Luxury Rental Buildings

### JERSEY CITY

(Trump Bay St, Jersey City Urby, 70 Columbus, Marbella II & Modera Lofts)

**PSF: \$4.16**

**Asking Rents: \$3,150**

### MANHATTAN

(Prism at Park Ave South, EOS, Sky, The Encore)

**PSF: \$6.67**

**Asking Rents: \$4,750**



# **JERSEY CITY** **RENTAL** **MARKET**

# Jersey City Rentals

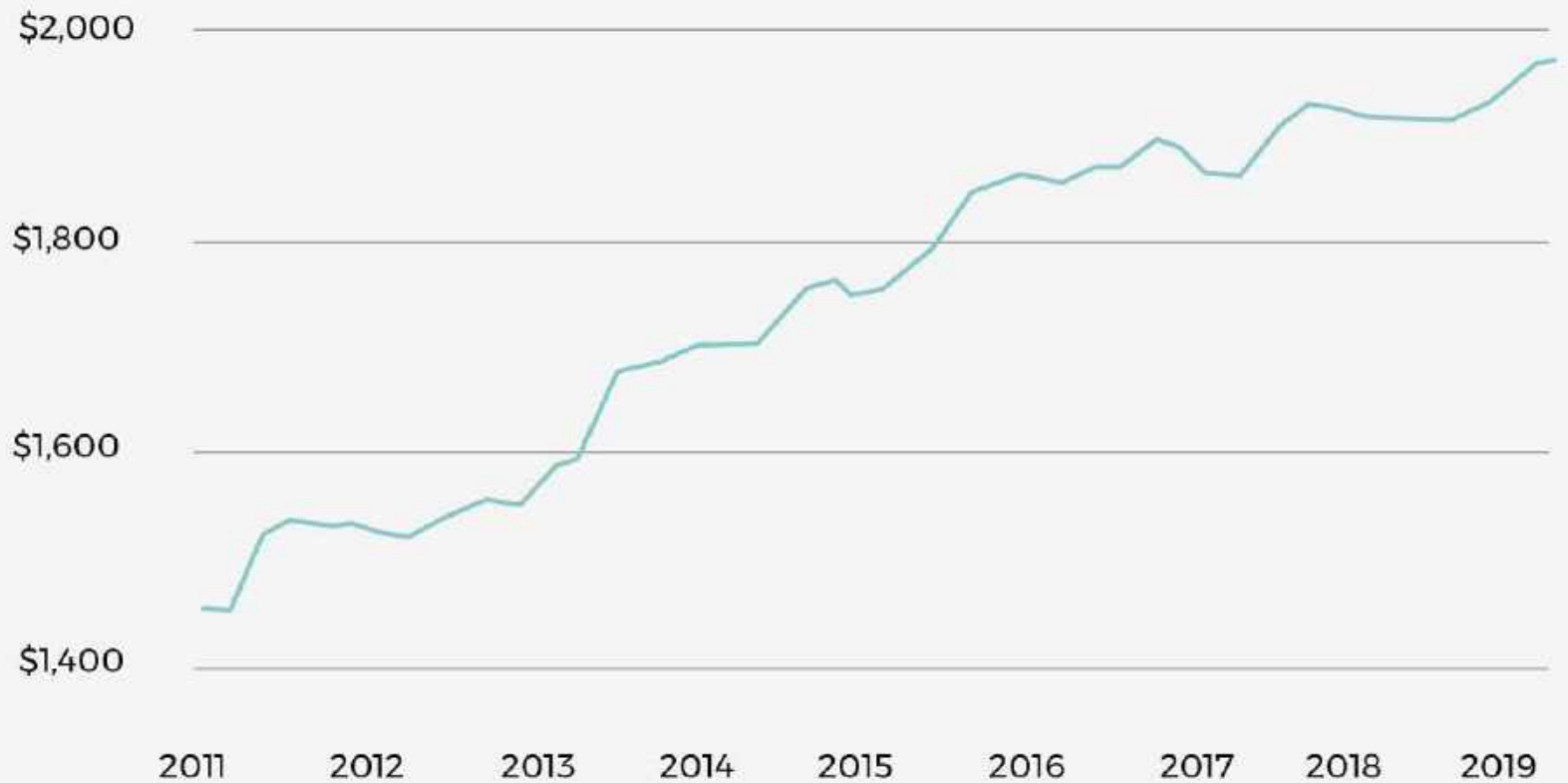
## Jersey City 1 Bedroom Zillow Rent Index

**\$2,050**

Class A rent  
list price

**\$3.55**

Rent list  
price/sq. ft.



Source: Zillow



# Jersey City Rental Market Rates

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## AVERAGE ASKING RENT PER UNIT



**\$2,824**

URBAN CLASS A



**\$1,610**

URBAN CLASS B



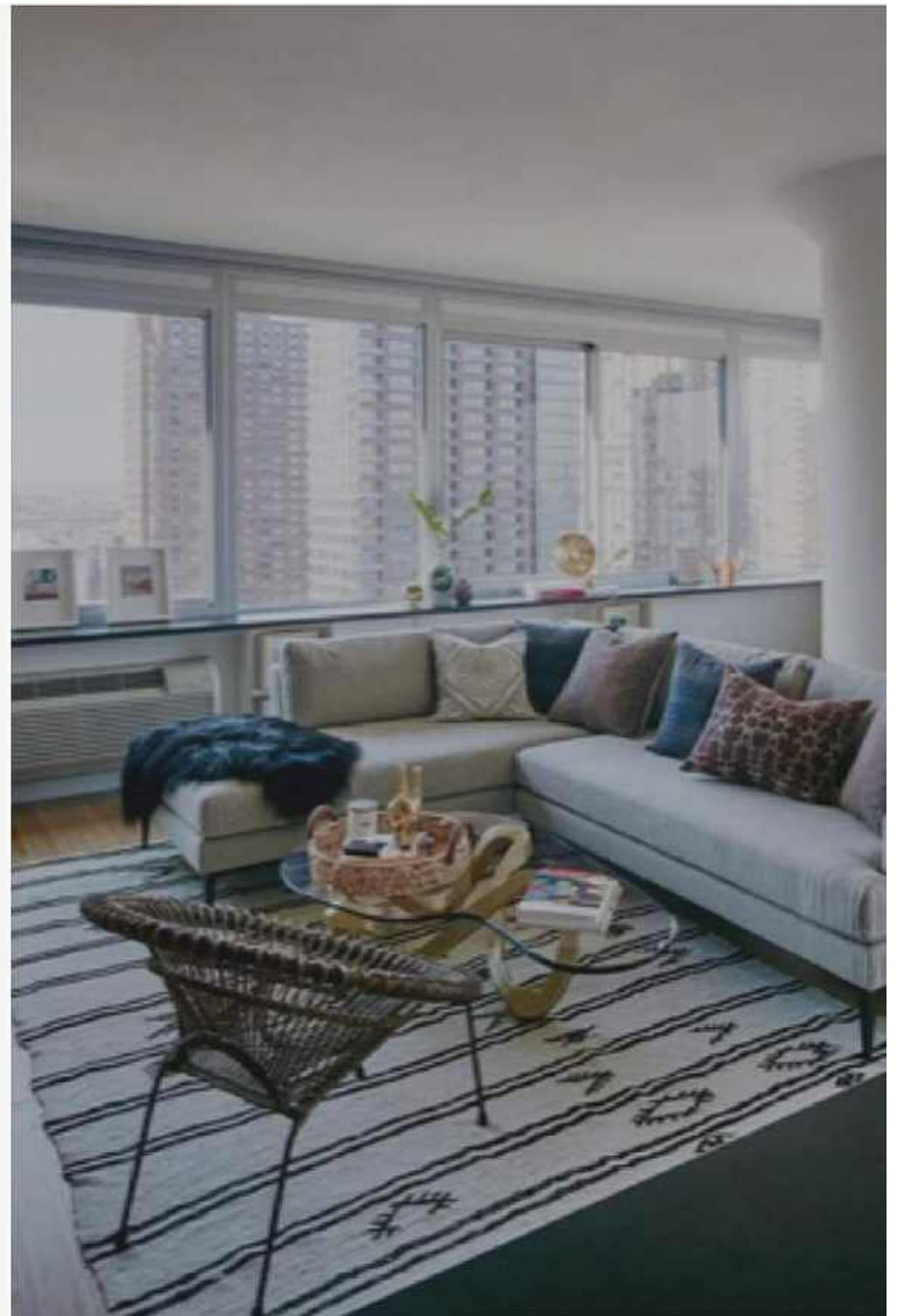
**\$2,050**

Mercer

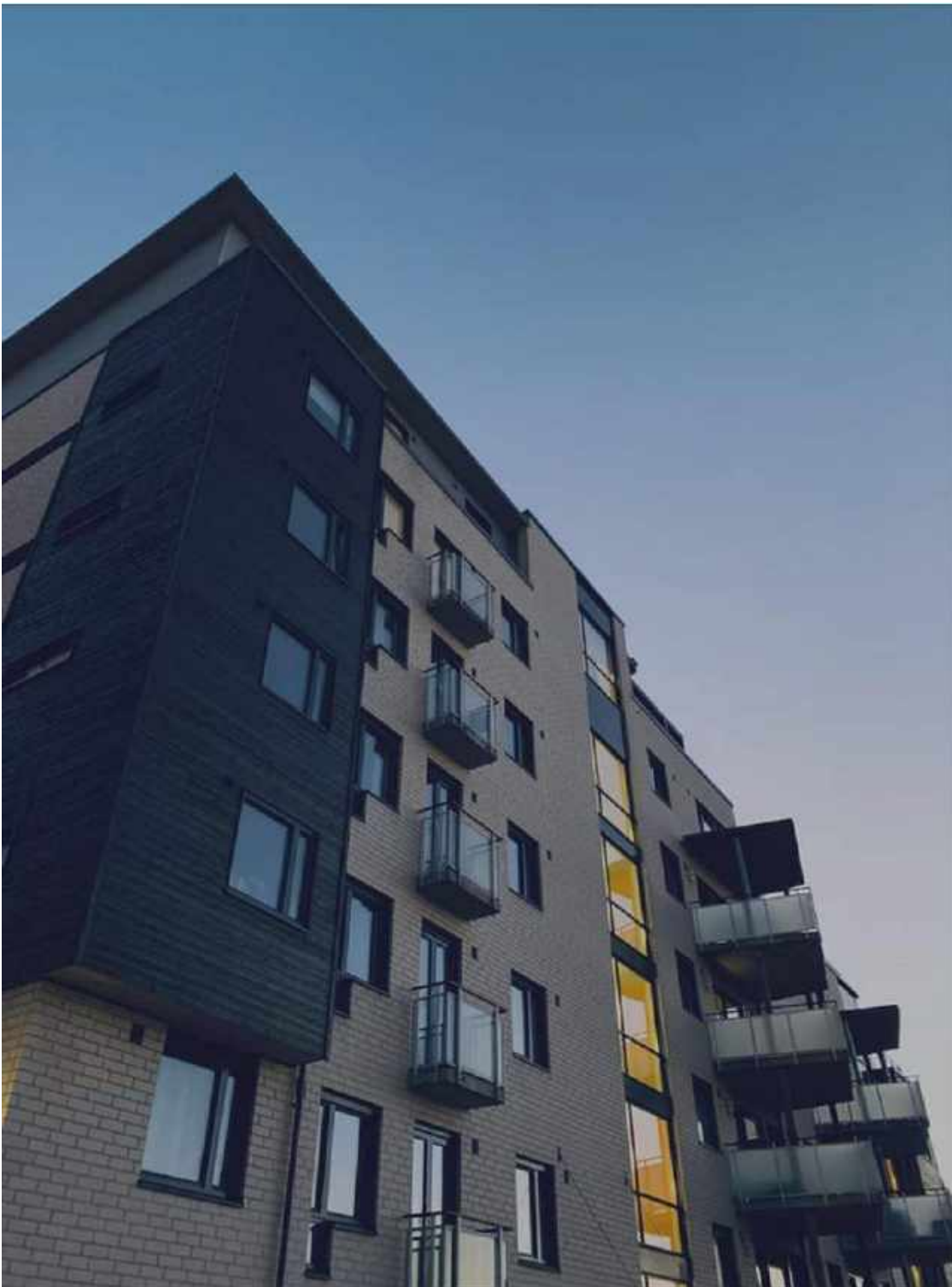


**JERSEY CITY**  
**LEASING**  
**ABSORPTION**

New Class A  
rental  
developments  
are **leasing** at  
record paces  
(\$4+ per sq. ft.)







Over **86%** of  
comparable new  
rentals were  
leased as of Sept.  
2017, with a lease-  
up velocity of 52  
units per month.

# Proven Ability to Absorb Supply

## New Jersey City Luxury Rental Properties | Initial Lease-Up Absorption Rates

Property	Year Built	Units	Floors	Approx. Monthly Absorption Rate	Initial Lease-up
Journal Squared	2017	538	53	54	Complete
Vantage	2017	448	45	78	Complete
Ellipse	2017	381	41	38	Complete
Trump Bay Street	2016	467	53	30	Complete
Jersey City URBV	2017	762	69	116	Complete
3 Journal Square	2017	240	13	37	Complete
Cast Iron Lofts 2	2016	232	27	26	Complete
Embankment House	2016	163	6	33	Complete
70 Columbus	2015	545	50	44	Complete
M2	2015	311	38	50	Complete
Modera Lofts	2015	366	8	23	Complete
The Morgan	2015	417	38	28	Complete
The One	2015	439	36	57	Complete
50 Regent	2015	164	10	28	Complete
The Art House	2014	119	11	20	Complete
18 Park	2014	422	11	48	Complete

Weighted Average

52

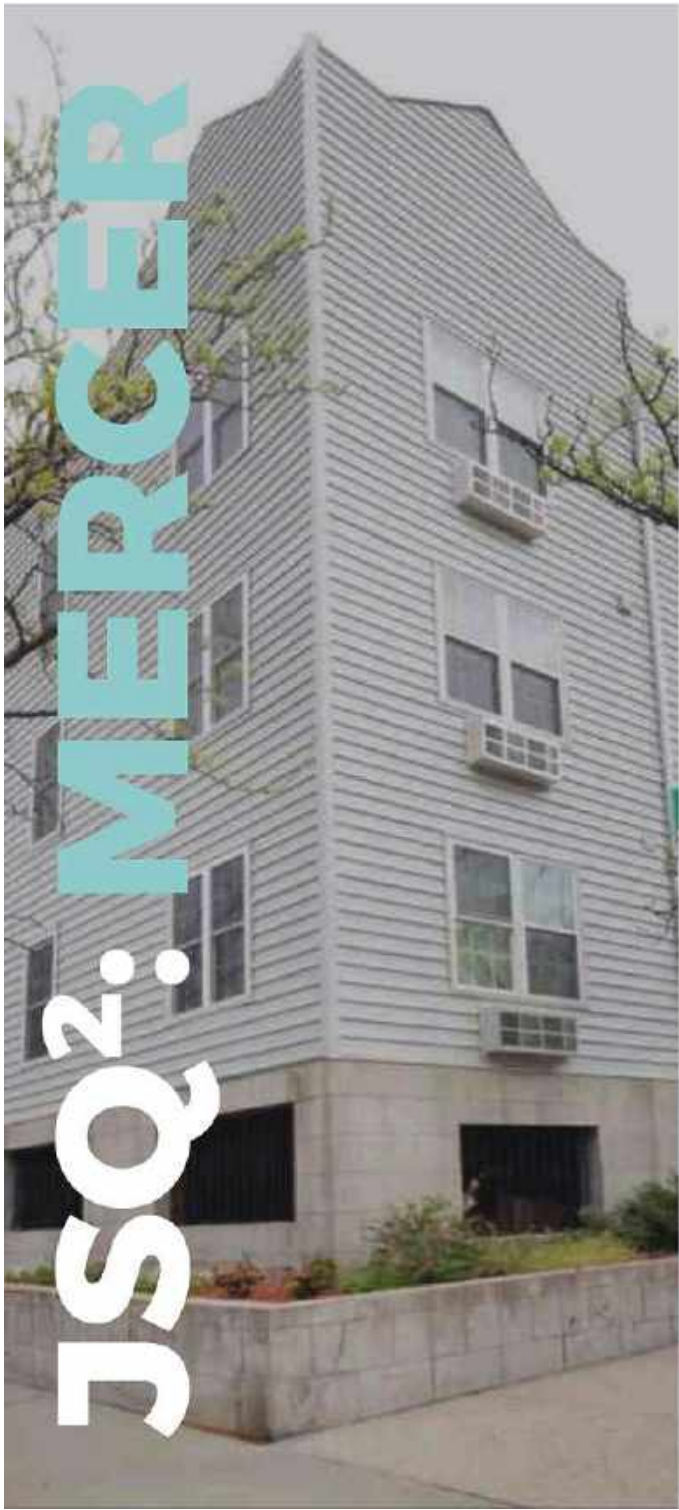


**JSQ<sup>2</sup>: MERCER**



**RENTAL**  
**COMPS**





**60 Chestnut Ave**

COMPARABLE



Four-story  
apartment  
building



Class B-  
property

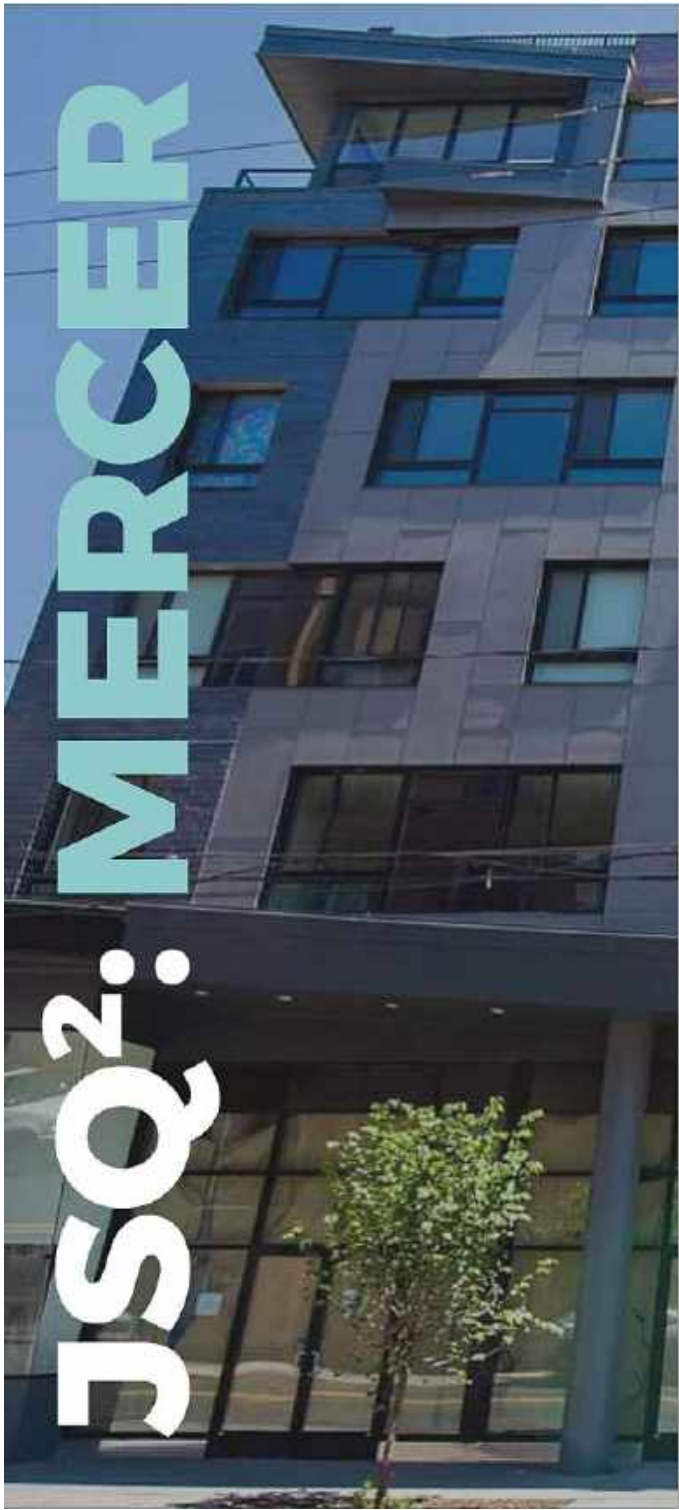


0.7 miles to  
PATH Journal  
Square



Renting at  
**\$1,975** for  
1BR/1BA units





# 850 Newark Ave

COMPARABLE





Five-story  
mixed-use  
building



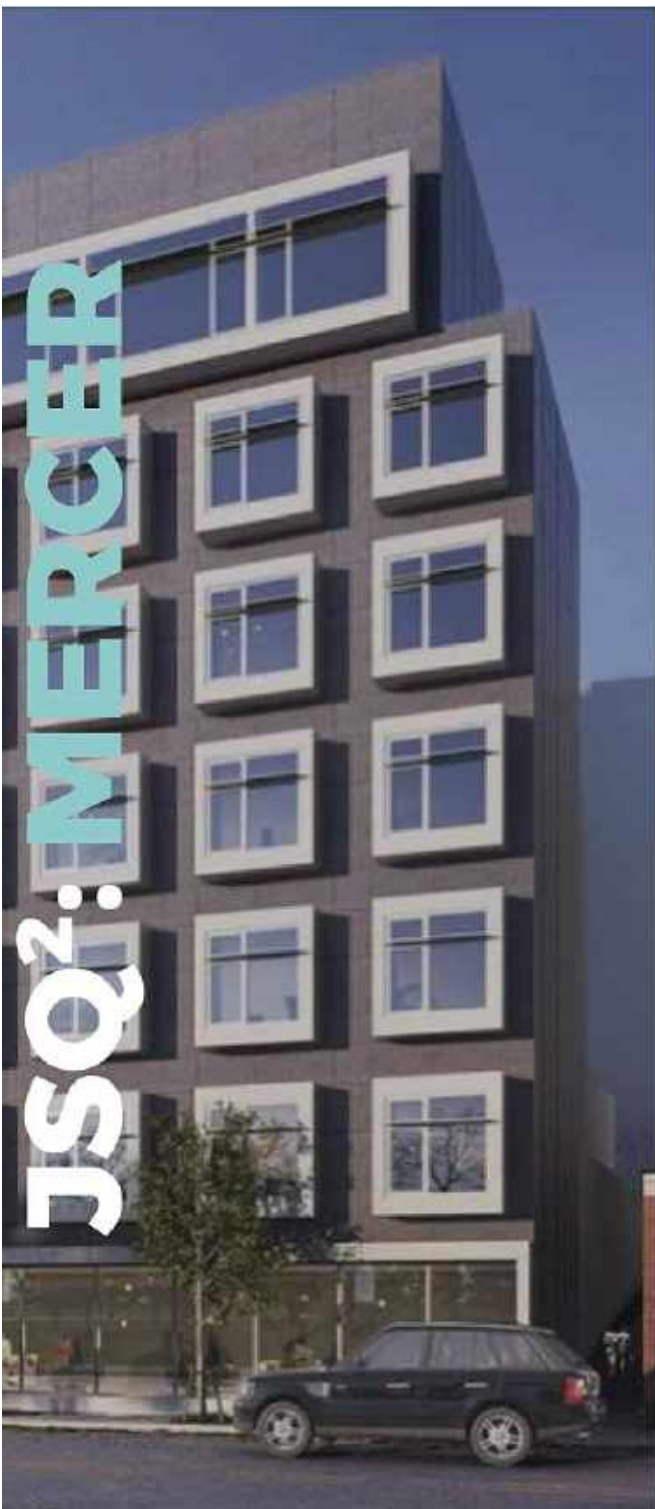
Standard  
finishes



.5 miles to  
PATH Journal  
Square



Renting at  
\$2100 for  
1BR/1BA units



# Nest Micro Apartments

COMPARABLE



122-unit  
apartment  
complex



Opening  
Summer 2019



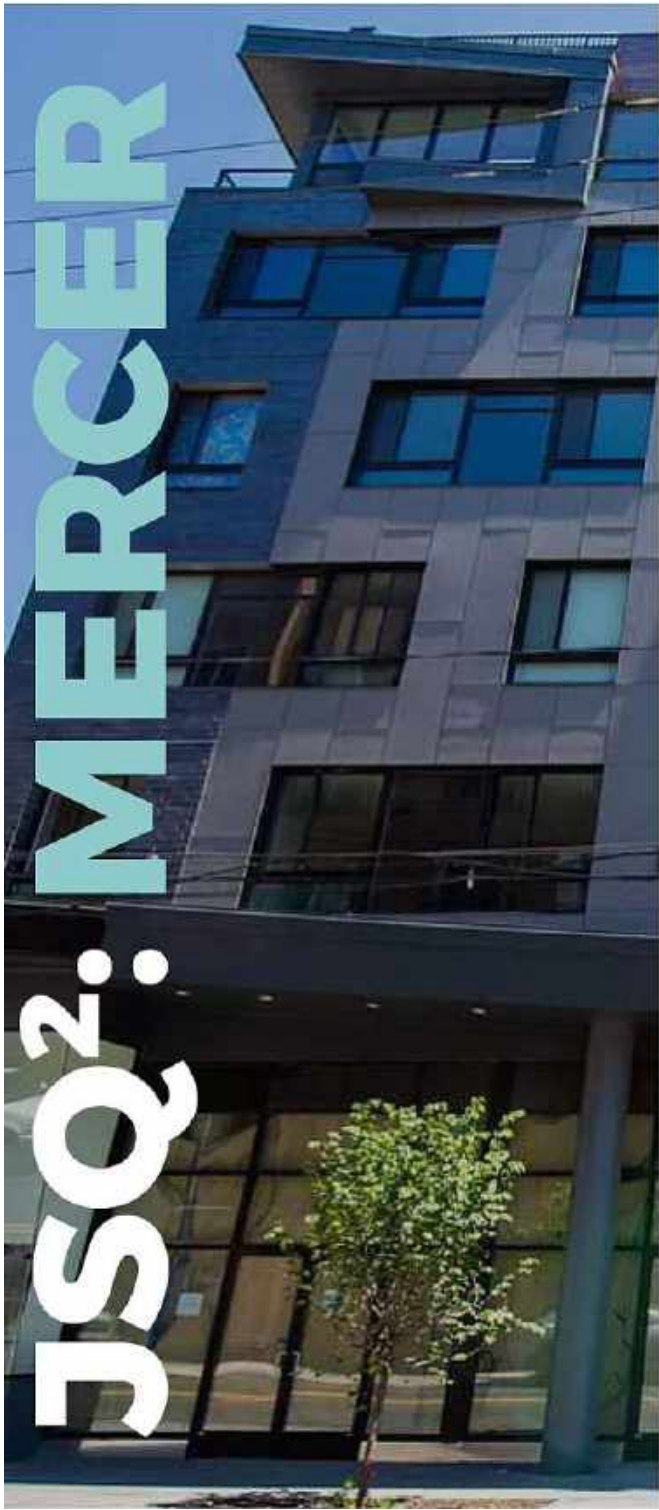
0.5 miles to  
PATH Journal  
Square



Renting at \$6+  
per sq. ft.







# Altura at Journal Square

COMPARABLE



69-unit  
apartment  
building



Opened in  
2019



.3 miles to  
PATH Journal  
Square



Renting at  
\$2400 for  
1BR/1BA units





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# Fairmount

COMPARABLE





58-unit  
apartment  
building



Opened in  
2019



.9 miles to  
PATH Journal  
Square



Renting at  
\$2,100 for  
1BR/1BA units



# Competitive Set



**JSQ2: MERCER**



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# Meet Our Team



# Team

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**Philip  
Michael**

Founder,  
NYCE/MFP

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Founder, NYCE  
Bestselling author  
Harvard University



**Martin  
Braithwaite**

Co-founder,  
NYCE/MFP

---

Co-founder, MFP  
Barcelona Star  
Largest Danish transfer in  
history



**Eugene  
Paolino**

Land Use & Zoning  
Attorney

---

Partner, Genova Burns  
Legal counsel, Kushner Cos.  
Top influential real estate  
attorney

**STAY IN TOUCH  
WITH US**

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