



JSQ²:MERCER

MERCER

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



CONFIDENTIAL.

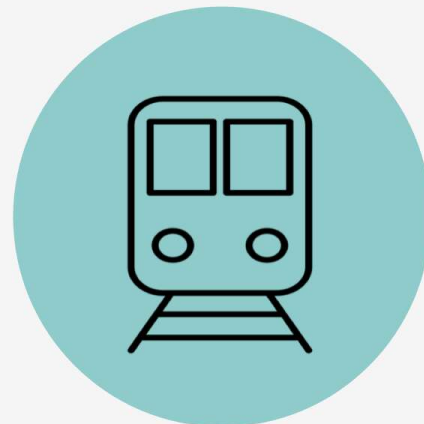
*By accepting this **private memorandum**, you, the **offeree** shall keep in confidence the contents of this **memorandum** and the contents of any and all attachments. Information herein shall only be shared with the **offeree's accounting** and **legal counsel**.*

INVESTMENT HIGHLIGHTS



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.



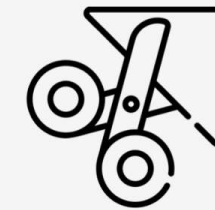
BOOMING SUBMARKET

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

JSQ²: MERCER



10-unit luxury building



Opening in 2020



10 minute walk from Journal Square PATH



Unobstructed skyline view

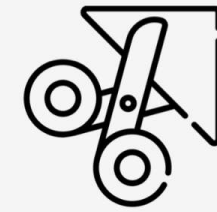


AI-powered smart tech building

SMART HOME LIVING



24/7 iPhone surveillance



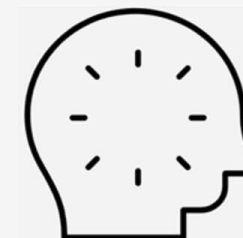
Lime eScooter hub



Free Lyft rides



Free unlimited CitiBike



Smart-home tech powered

Project Costs



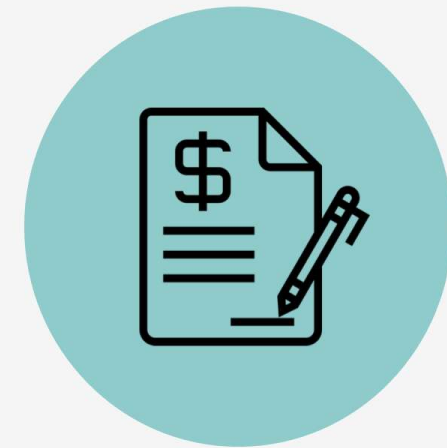
\$1.86M

Total Cost



\$688k

Equity



63

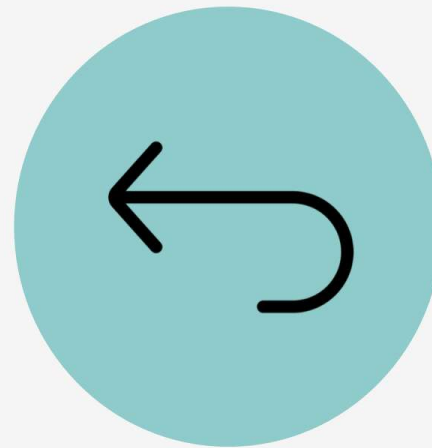
LTC

Target Returns



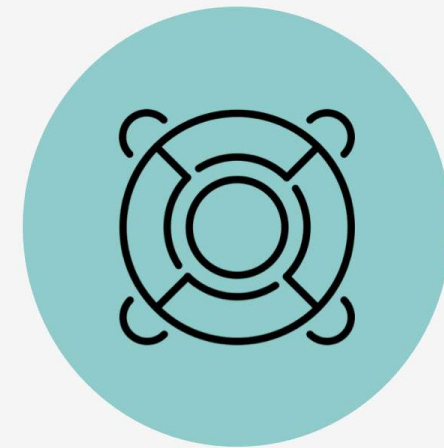
11.2%

**Yield on
Cost**



19.54%

IRR



\$4.24M

**Terminal
Value**

JOURNAL SQUARE



JSQ²
DEVELOPMENT
BOOM

Press Highlights

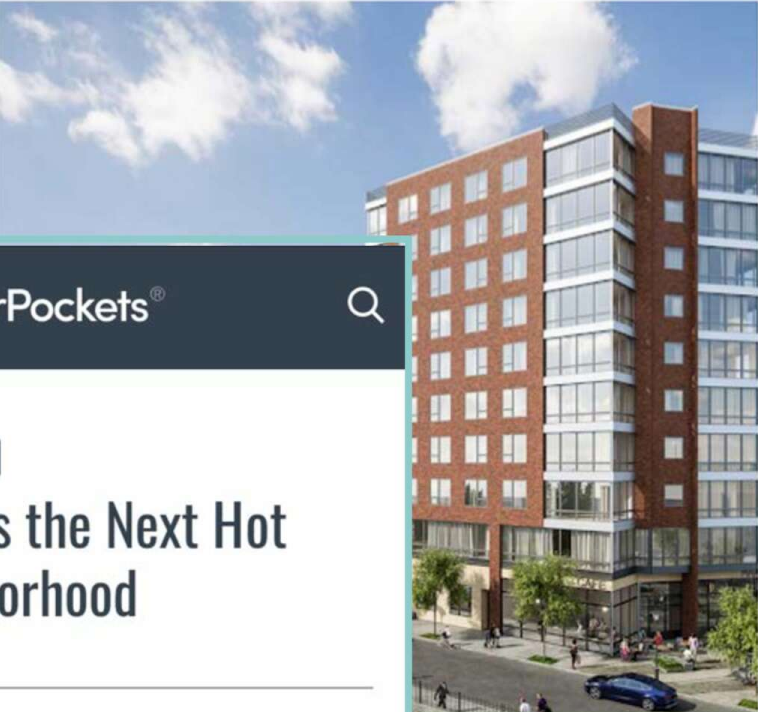
JERSEY DIGS

Home > Jersey City

Development | Jersey City

'Monticello Triangle' Project Could Rise Over McGinley Square

By Jared Kofsky - July 17, 2018




The New York Times

SUBSCRIBE NOW | LOG IN

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

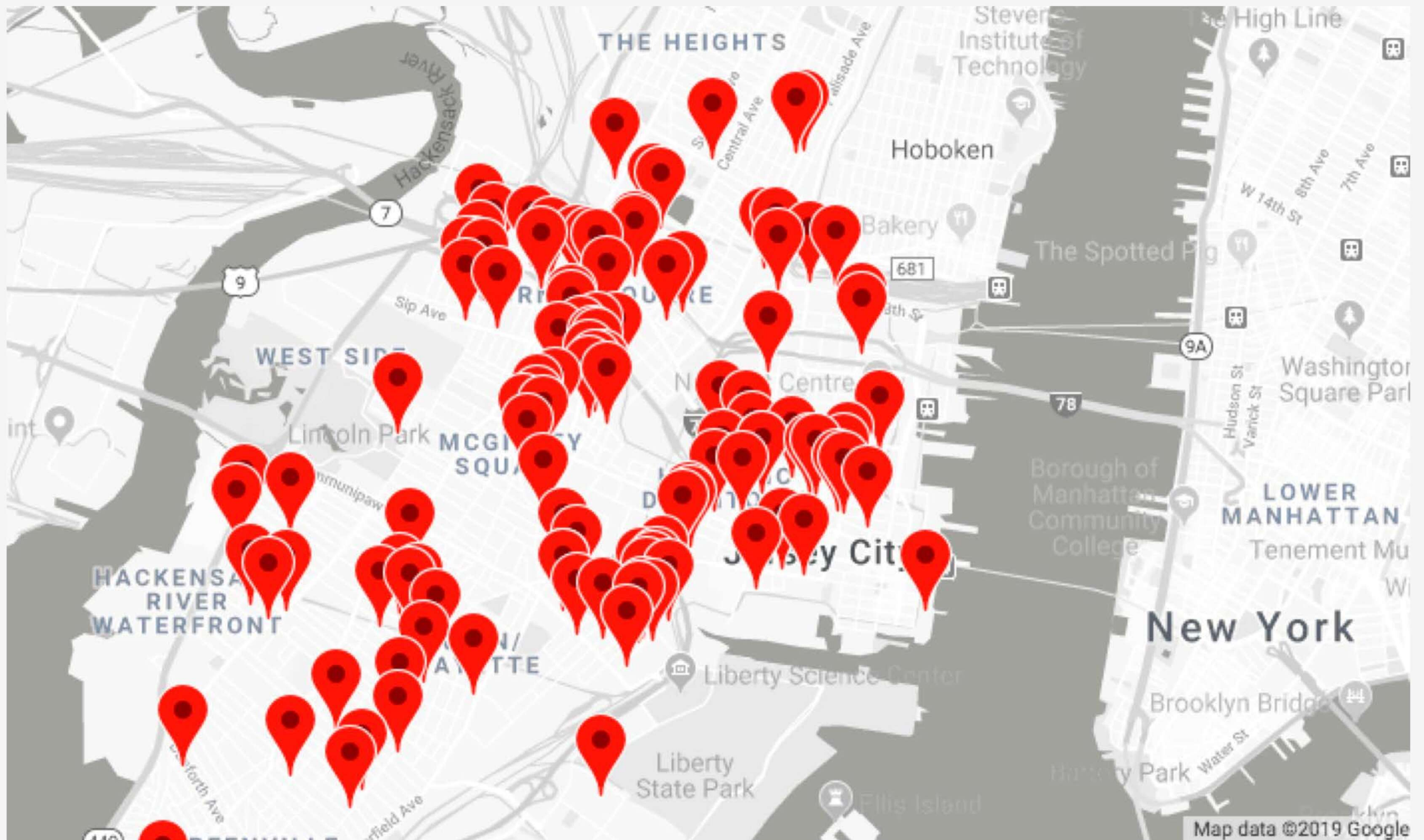
BiggerPockets

Real Estate News & Commentary

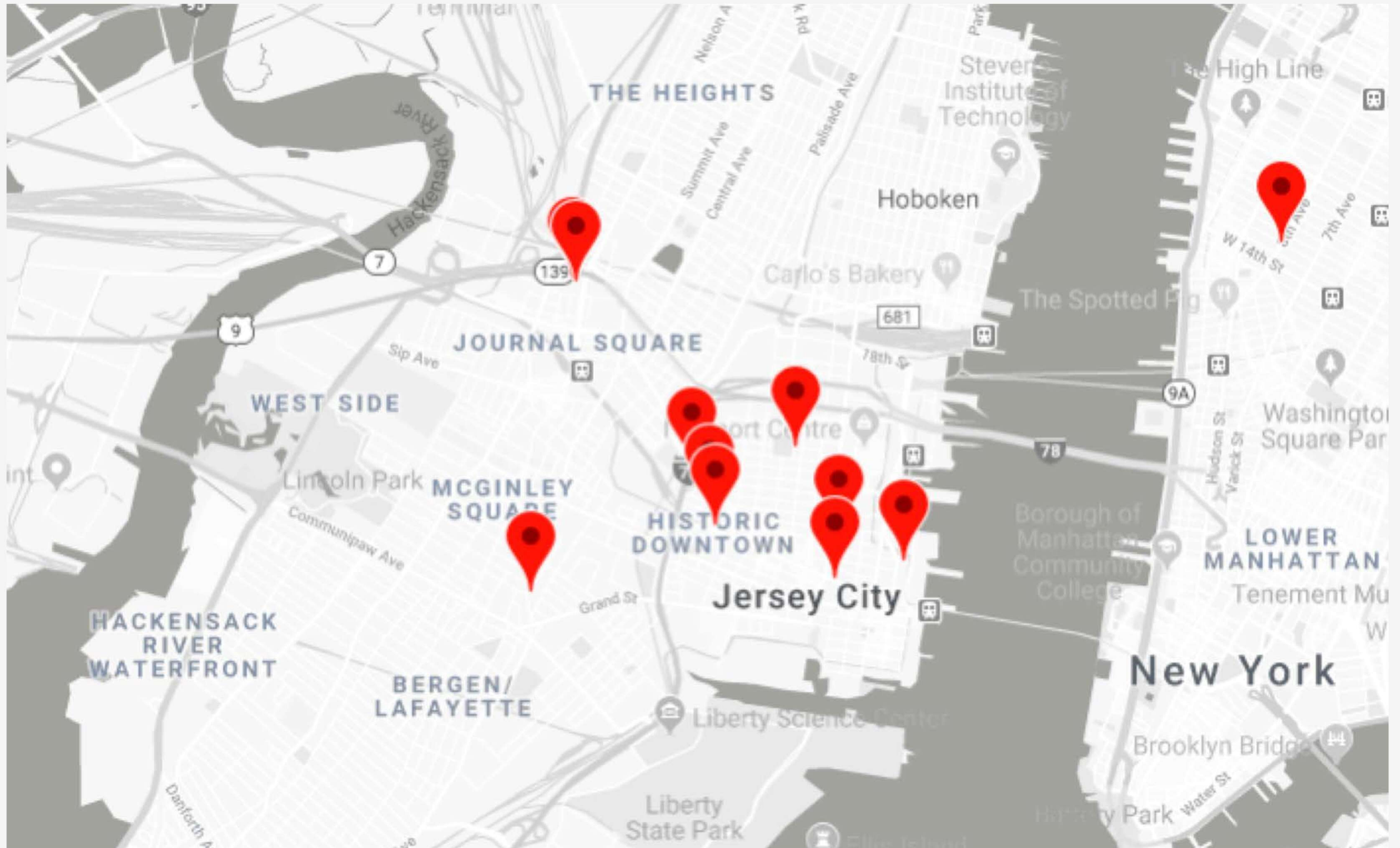
10 Reasons THIS Is the Next Hot NYC Metro Neighborhood



Approved Projects



Completed Projects



New Development: 533 Mercer Street



300-unit
luxury
building



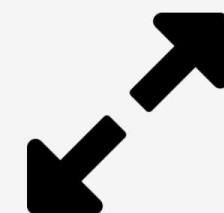
Under
construction



Same block
as Mercer



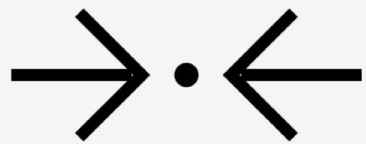
Unobstructed
skyline view



4,000 square
feet of retail
space



DSQ2: MERCER



AREA & LOCATION

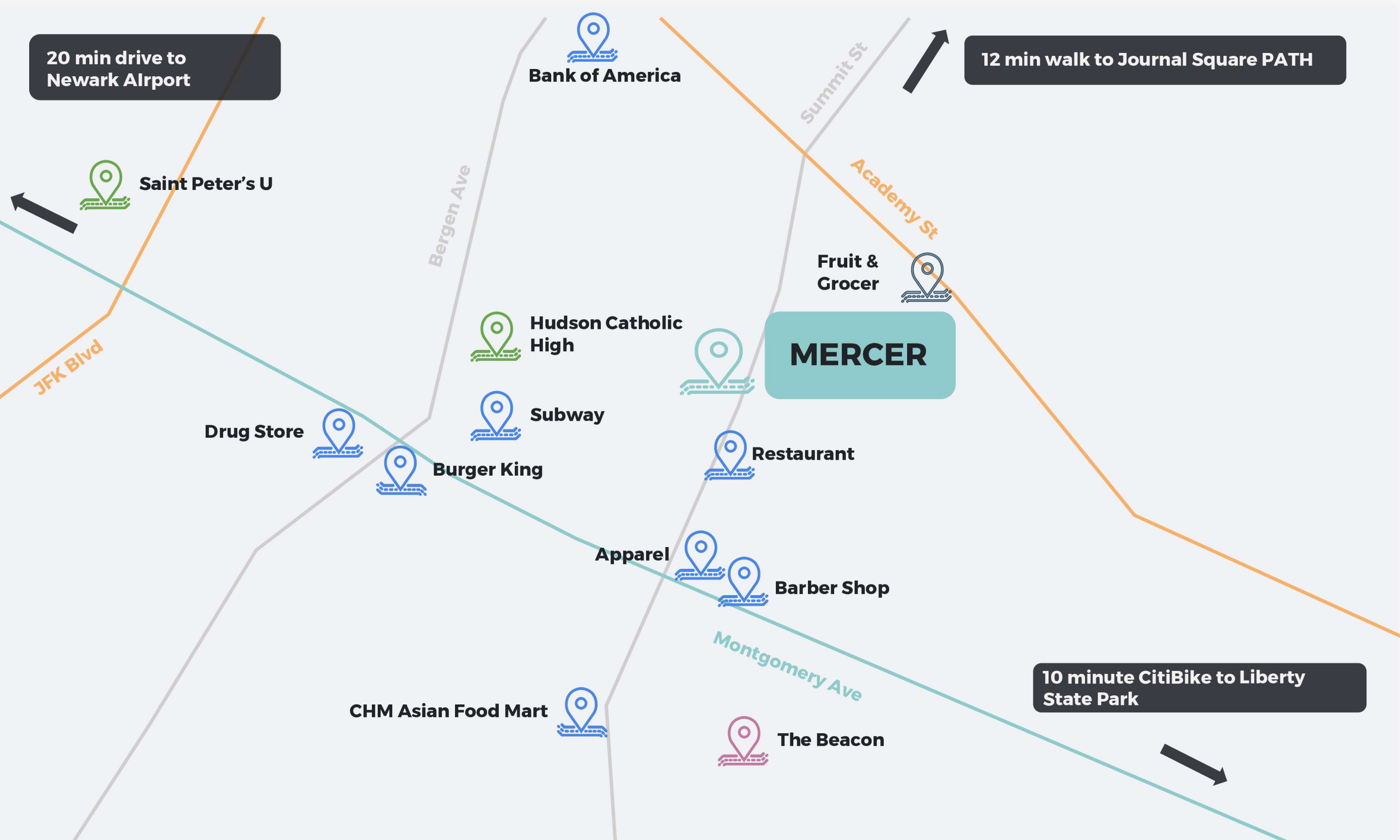
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ELLIS ISLAND

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.

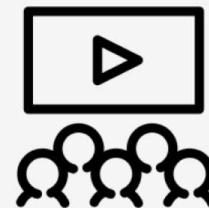
HISTORIC WALL STREET DISTRICT



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



Statue of Liberty



Ellis Island



The Three Skylines:

JC, BK, Manhattan



10 minute CitiBike
ride away

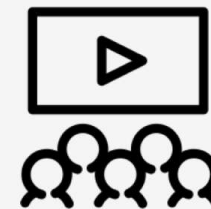
WORLD TRADE CENTER



7-building complex
in the Financial
District



12 minutes from
Journal Square



Iconic landmark

MADISON SQUARE GARDEN



“World’s Most Famous Arena”



18 minutes from Journal Square



Top tourist attraction



200+ concerts/sporting events annually



JSQ2: MERCER

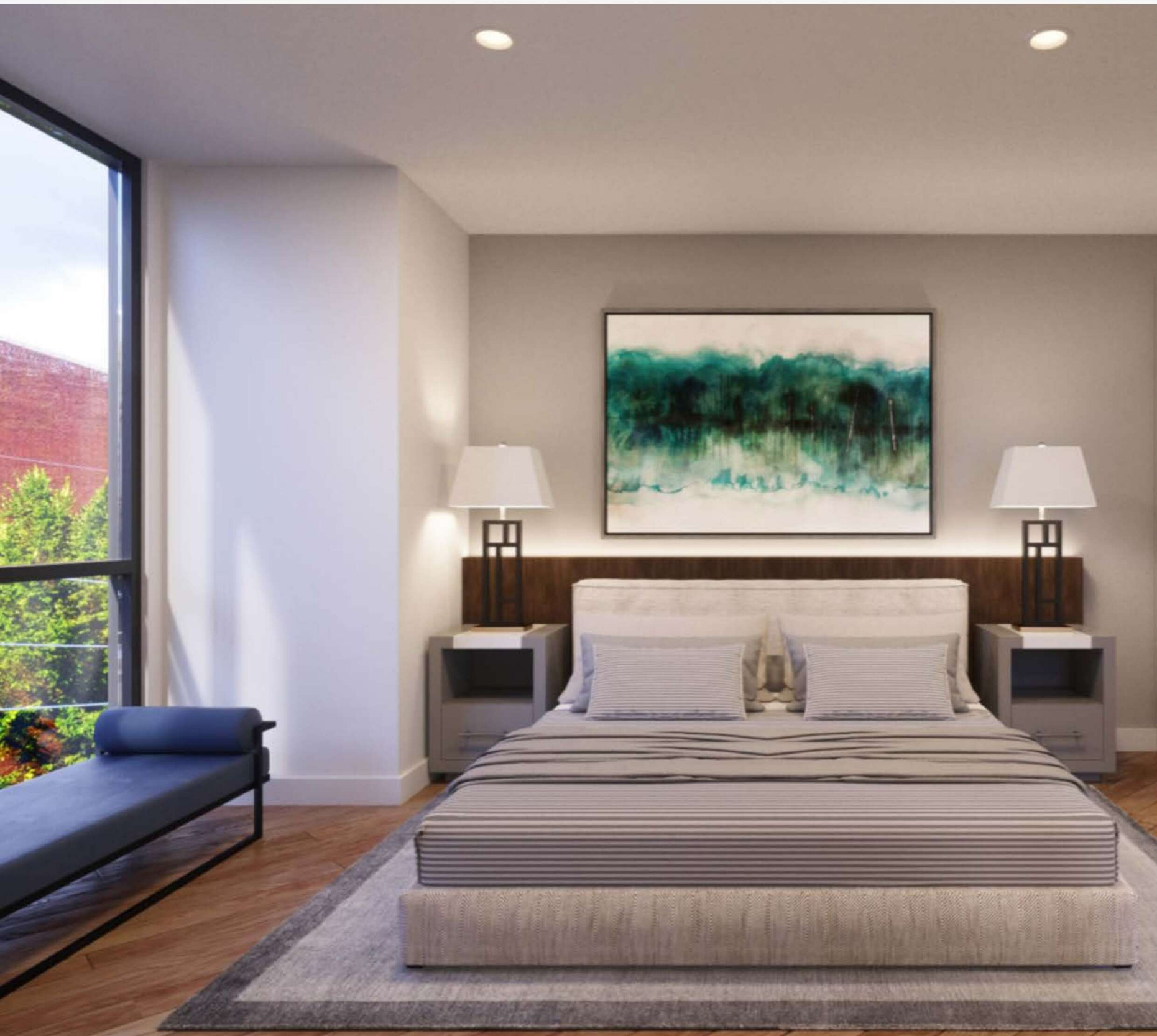
THE UNITS

The **Millennial wet dream:**

Breath-taking
Scandinavian
interior design.

Complete with
views of NYC
skyline...





... AI-powered units mixed with

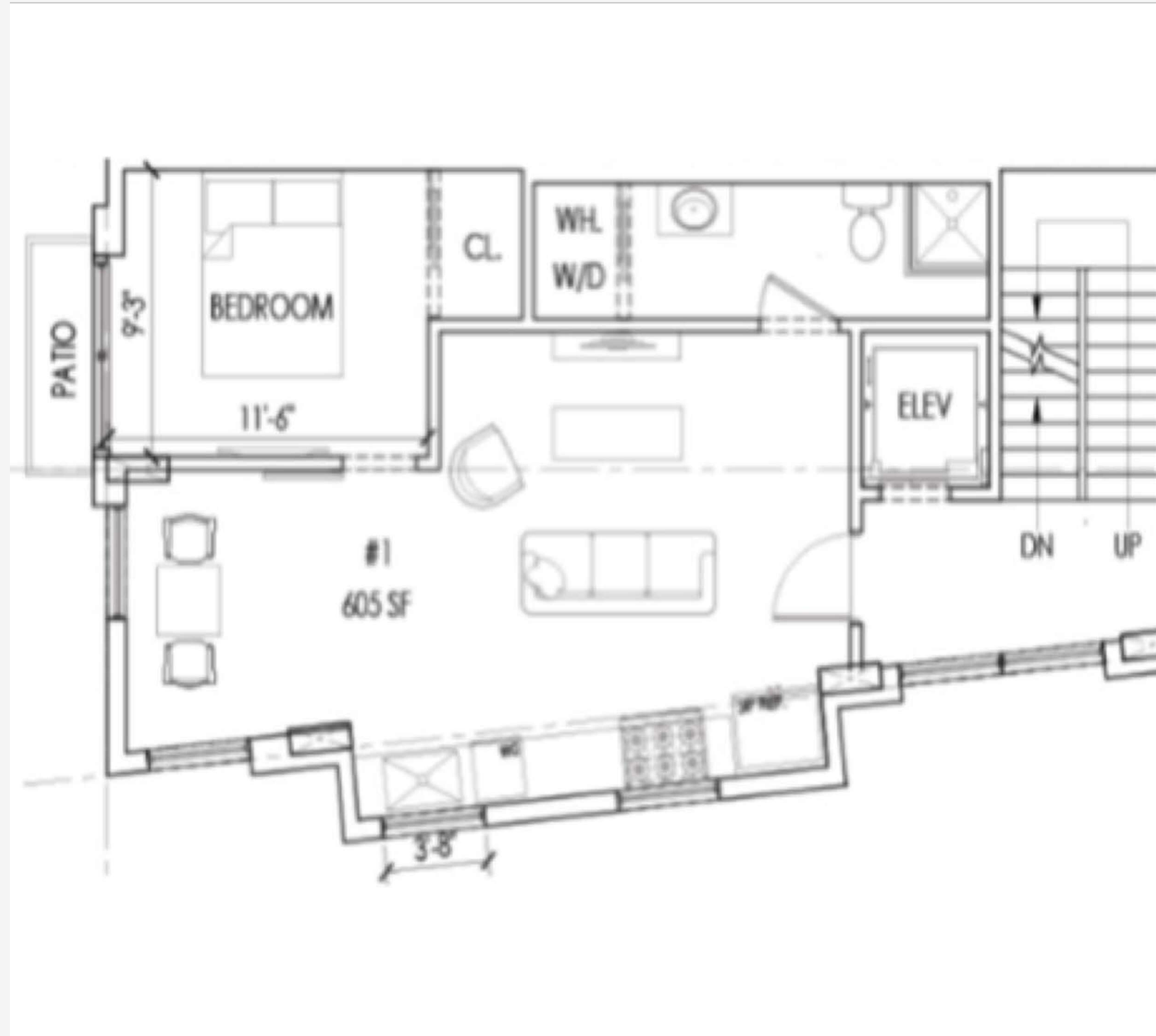
Billionaire's Row amenities.

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: MERCER

New York & New Jersey Subway Map

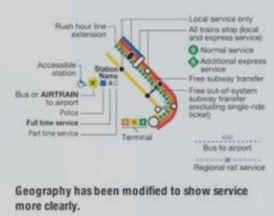
This map depicts rapid transit services in the New York and New Jersey urban core, with connections to ferries, regional rail, and intercity rail.

New York City Subway and Staten Island Railway, services of the Metropolitan Transportation Authority, operate 24 hours a day. mta.info

PATH, a service of the Port Authority of New York & New Jersey, operates 24 hours a day. pathrail.com

Hudson-Bergen Light Rail, a service of NJ Transit, operates daily from 5AM to 1AM. njtransit.com/hblr

Local service only
All trains stop (local and express service)
Normal service
Additional express service
Free out-of-system subway transfer (including single-ride tickets)
Free subway transfer
Bus to airport
Regional rail service
Geography has been modified to show service more clearly.





LIME HUB

5 min to Journal
Square Station



LYFT

Free
rides for tenants



PATH TRAIN

12 min ride to
World Trade Center

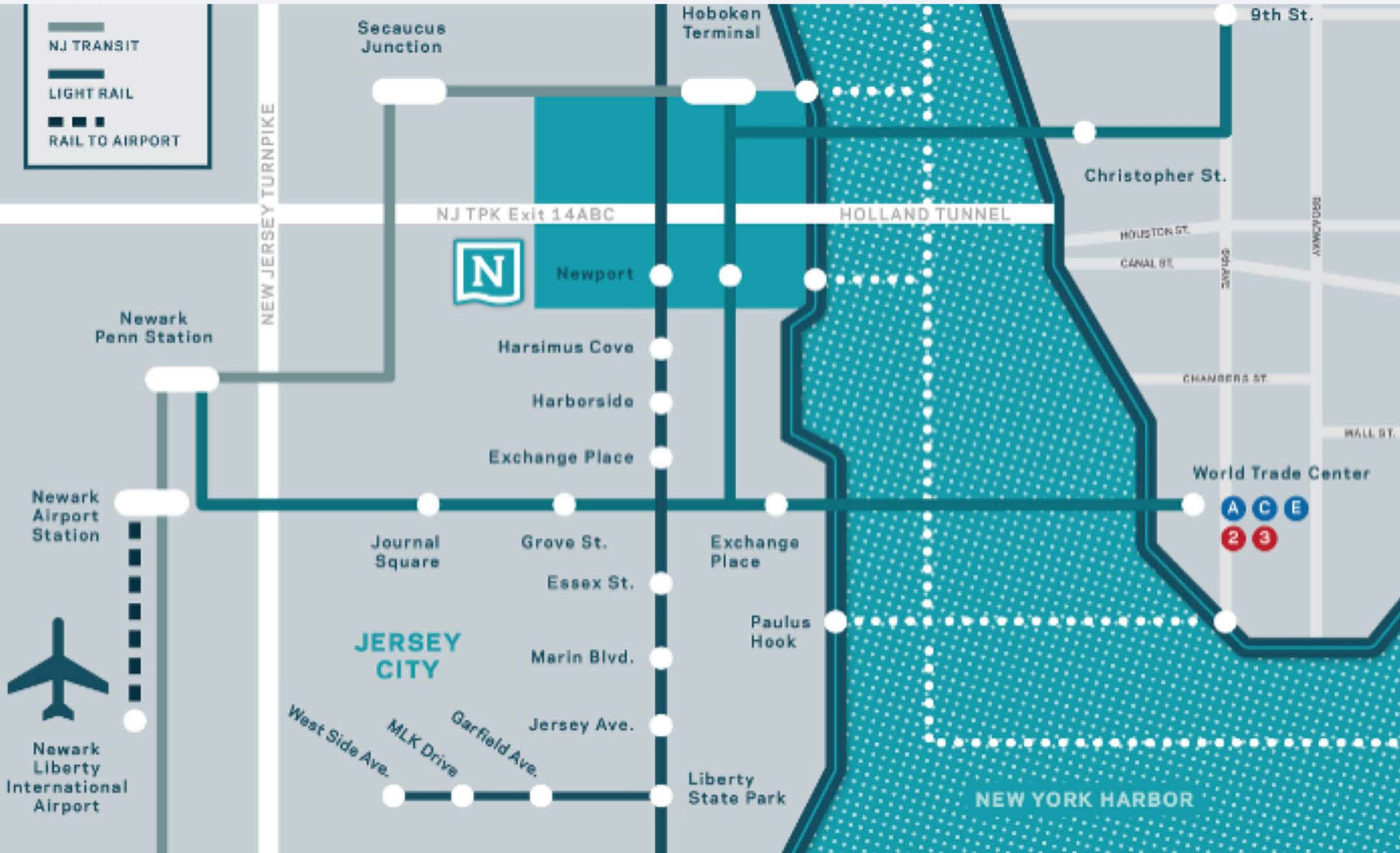


CITIBIKE

Unlimited rides for
tenants



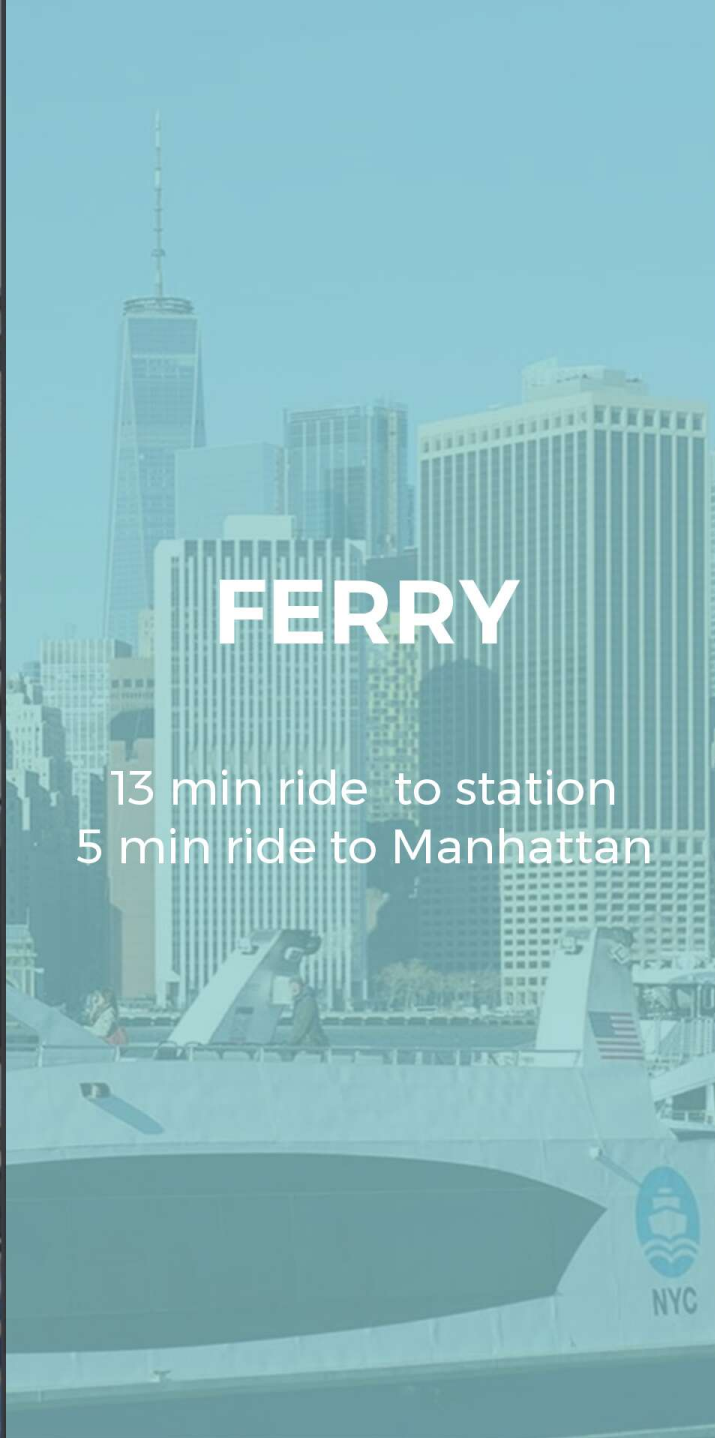
PATH/SUBWAY MAP





CITI BIKE

5 min to Journal Square Station



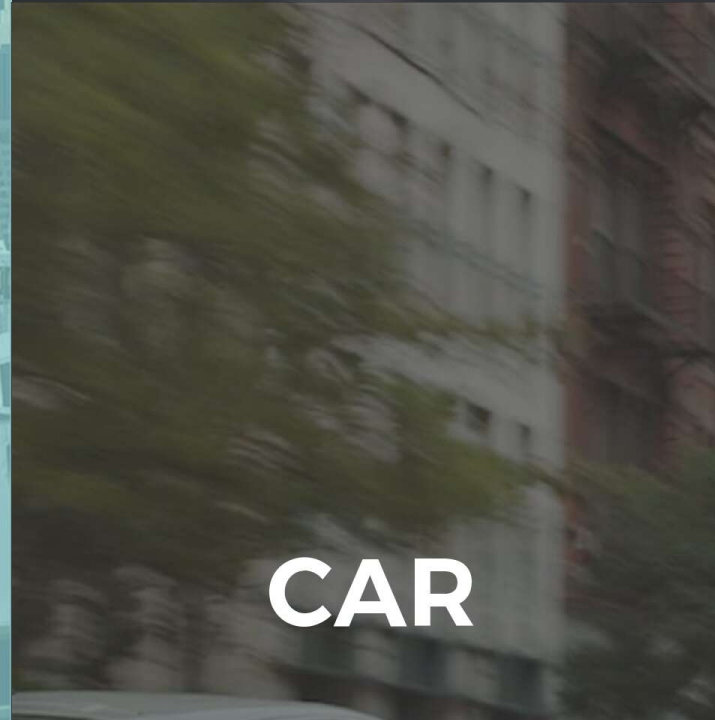
FERRY

13 min ride to station
5 min ride to Manhattan



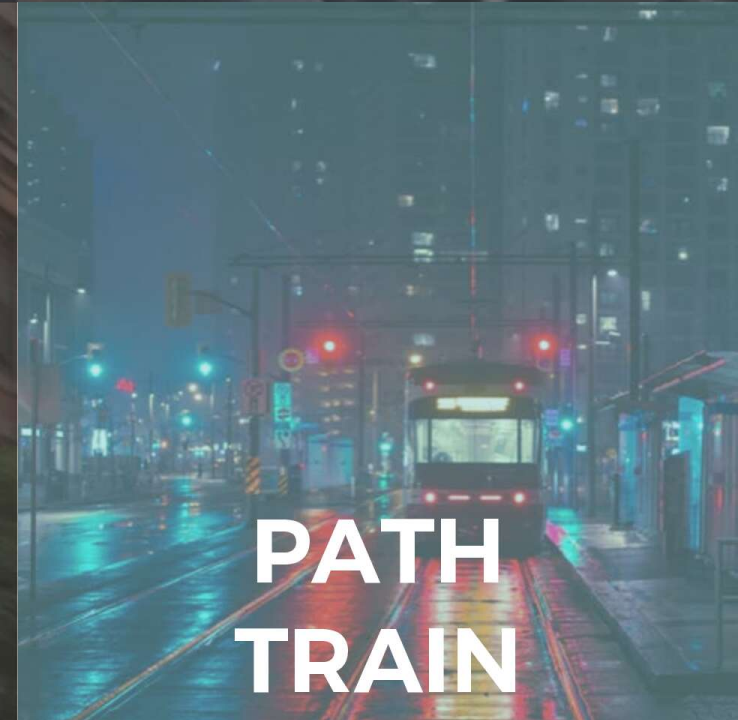
LYFT

Partnership provides discounted and free rides for tenants



CAR

15 min drive to Manhattan



PATH TRAIN

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



LIME SCOOTER HUB

5 min to Journal Square Station



JSQ²: MERCER



NYC vs. JC:
THE UPSIDE

Compelling development costs

COSTS PER BUILDABLE SQ. FT.



\$681 PSF
Manhattan



\$206 PSF
Brooklyn



\$145 PSF
Jersey City

Luxury market rental rates

AVERAGE RENTAL PRICE PER SQ. FT.



\$6.66 PSF
Manhattan



\$4.10 PSF
Brooklyn



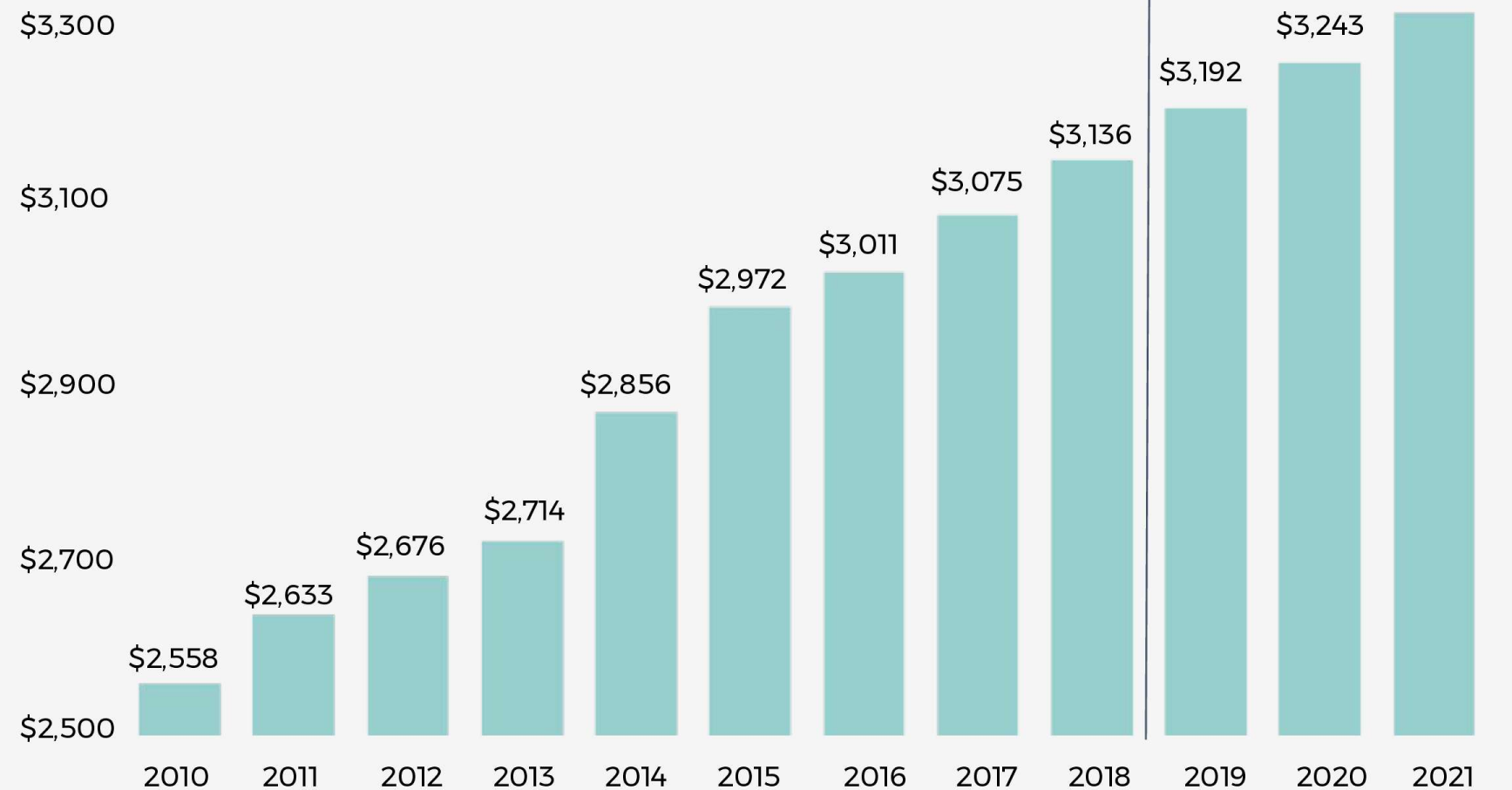
\$3.75 PSF
Jersey City

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

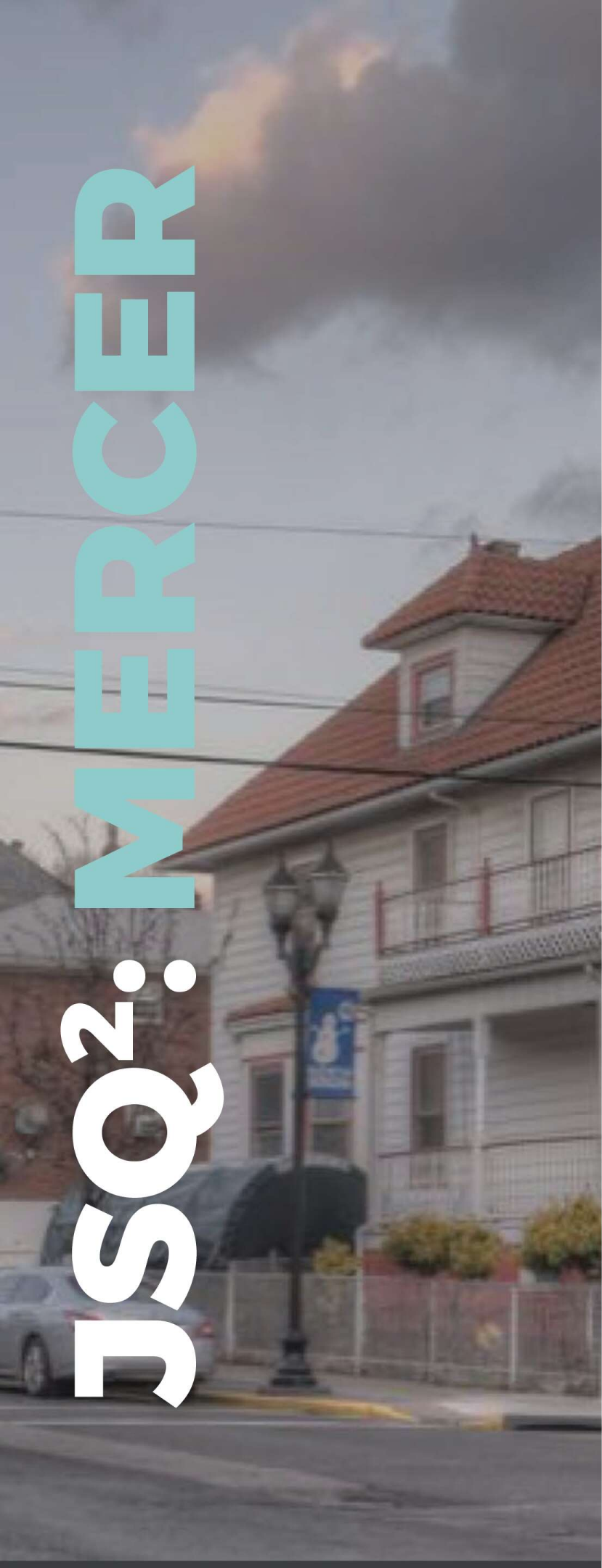
MANHATTAN

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

PSF: \$6.67

Asking Rents: \$4,750

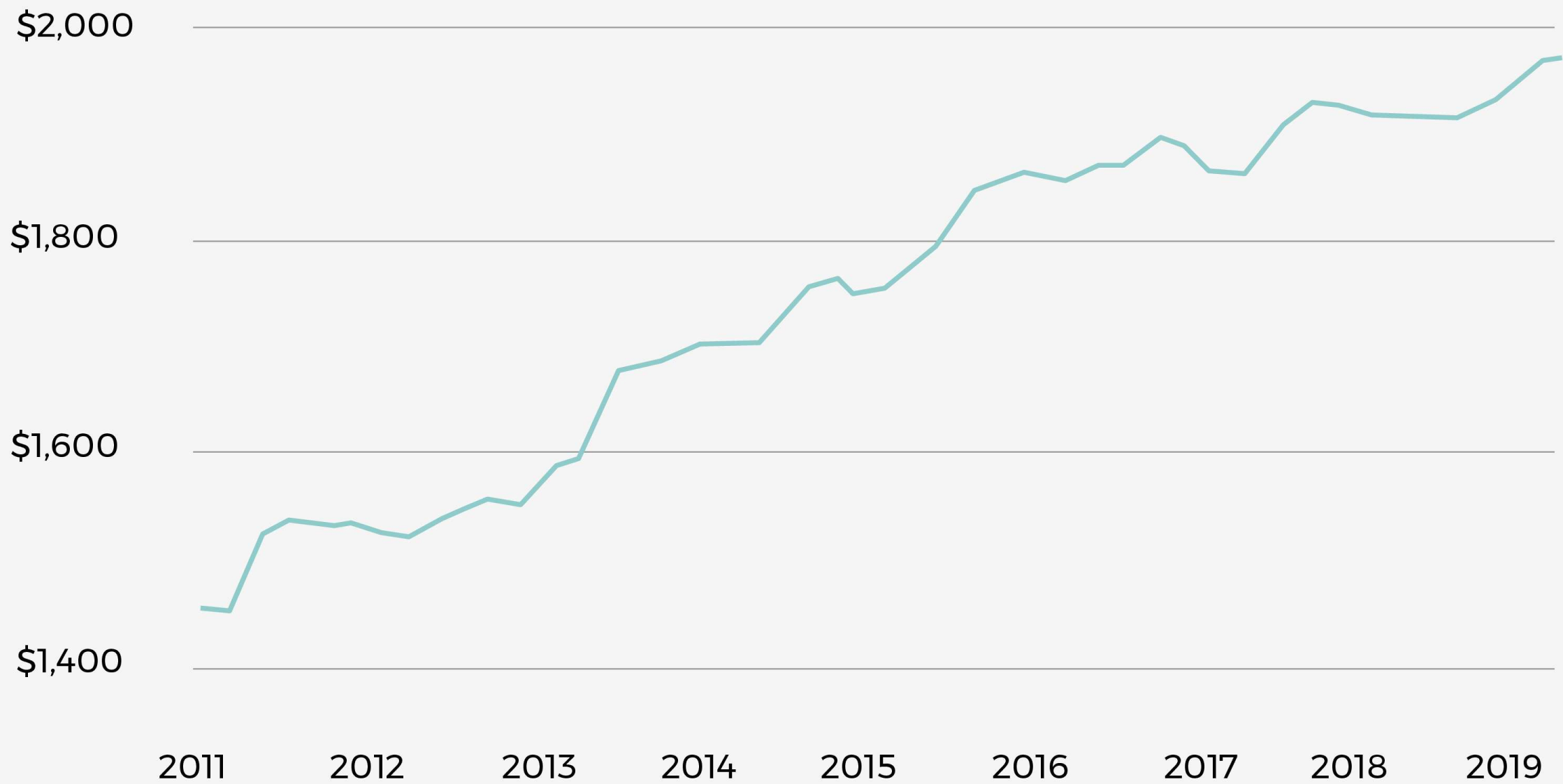
JSQ2: **MERCER**



JERSEY CITY
RENTAL
MARKET

Jersey City Rentals

Jersey City 1 Bedroom Zillow Rent Index



\$2,050

Class A rent
list price

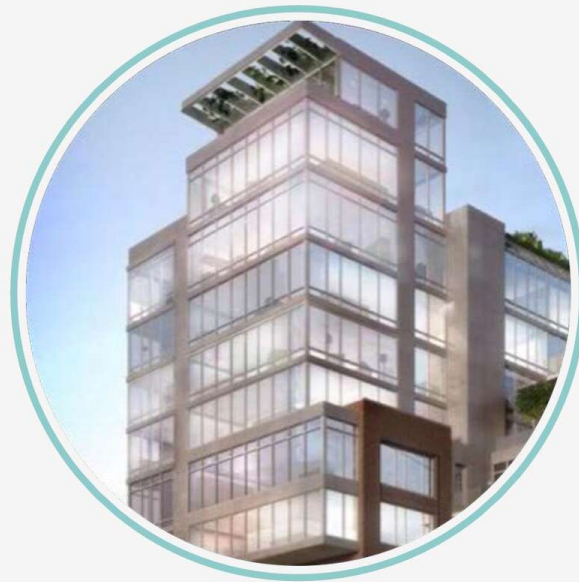
\$3.55

Rent list
price/sq. ft.

Source: Zillow

Jersey City Rental Market Rates

AVERAGE ASKING RENT PER UNIT



\$2,824

URBAN CLASS A



\$1,610

URBAN CLASS B



\$2,050

Mercer

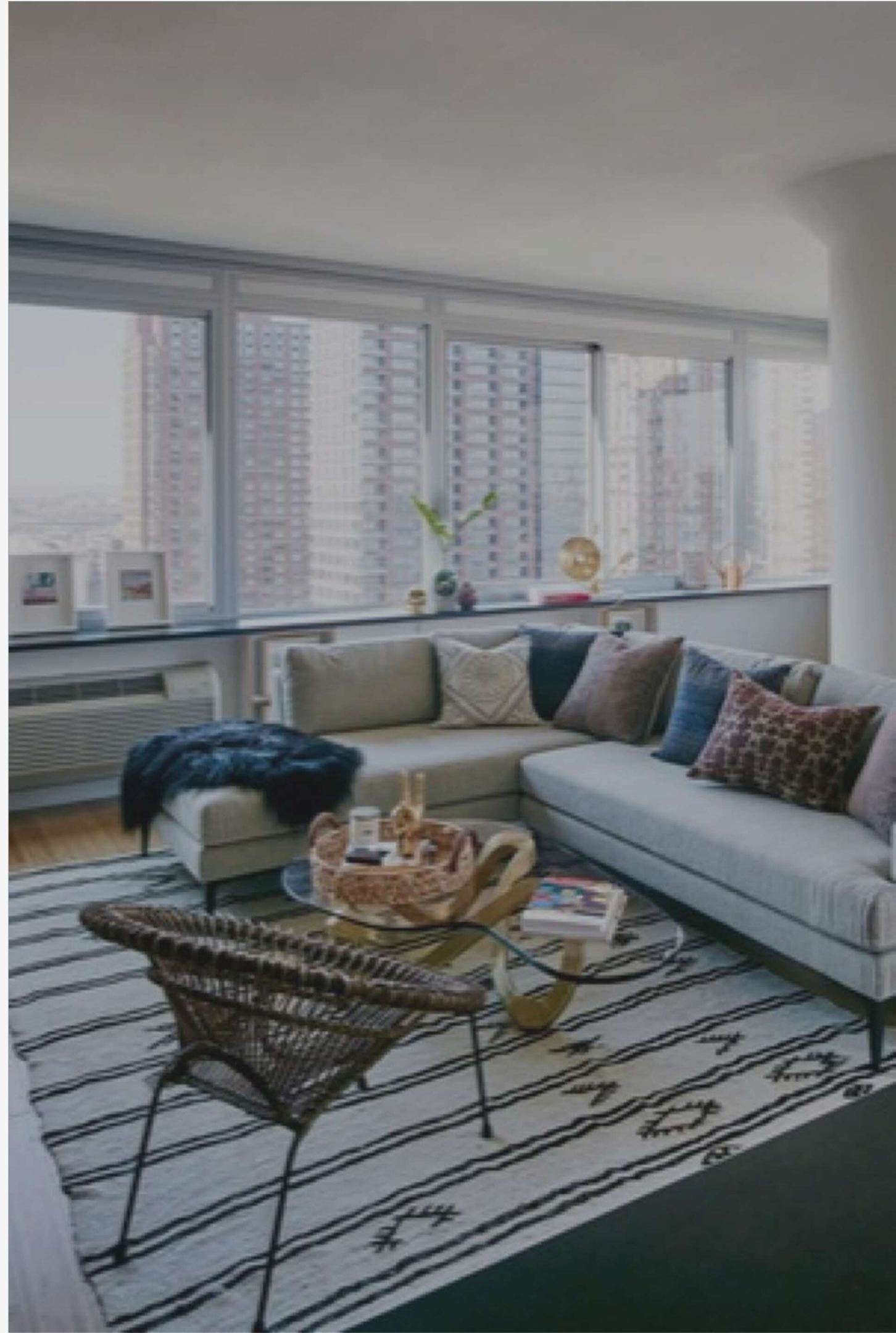


JSQ2: MERCER



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.

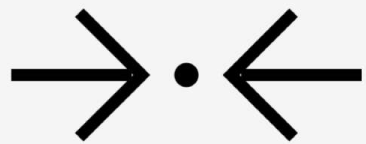
Proven Ability to Absorb Supply

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 URBY	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	



JSQ²:MERCER



RENTAL
COMPS

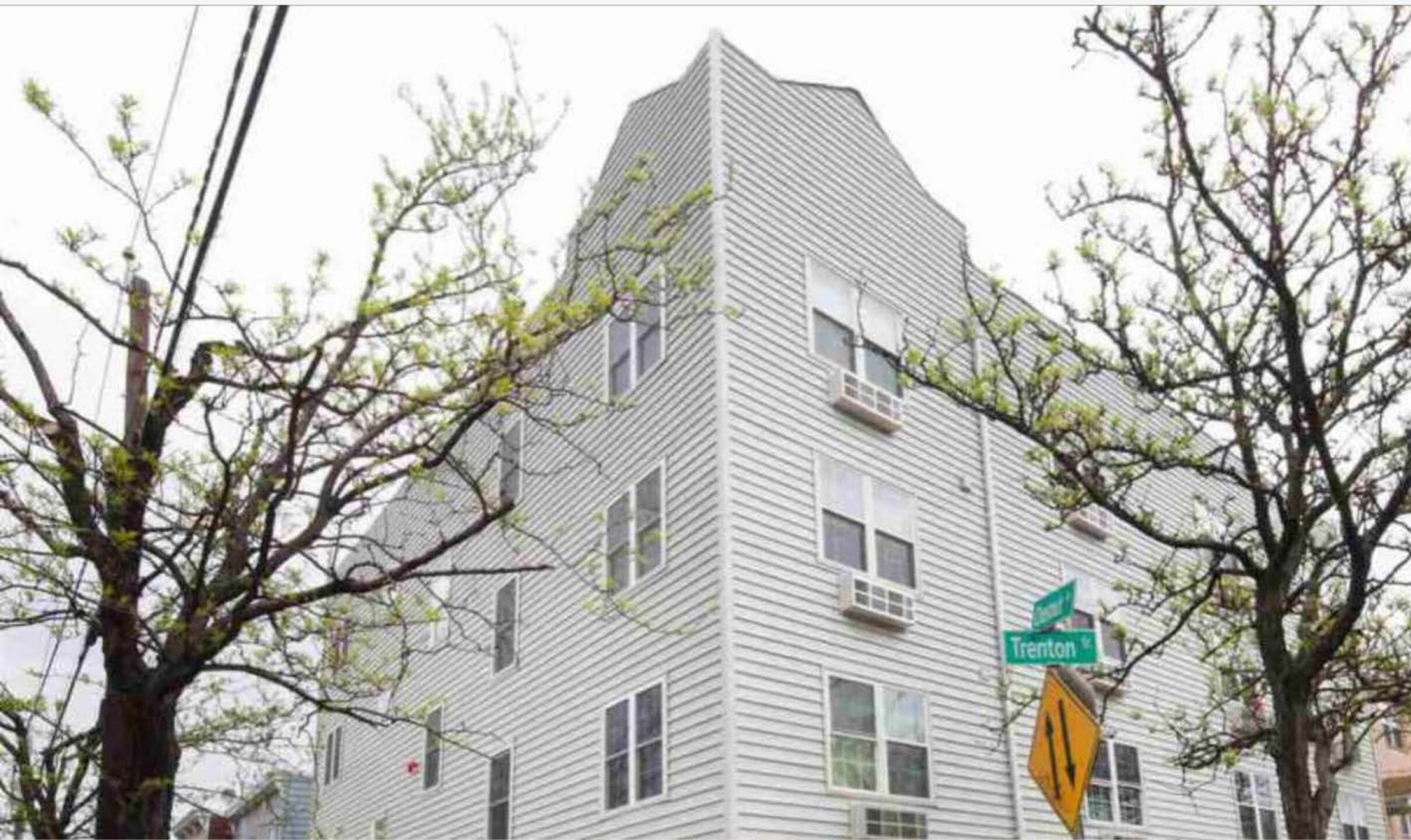


JSQ2: MERCEER

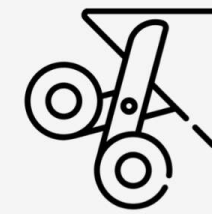


60 Chestnut Ave

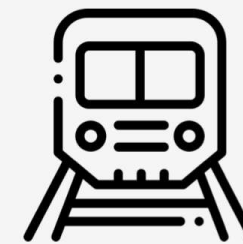
COMPARABLE



Four-story
apartment
building



Class B-
property



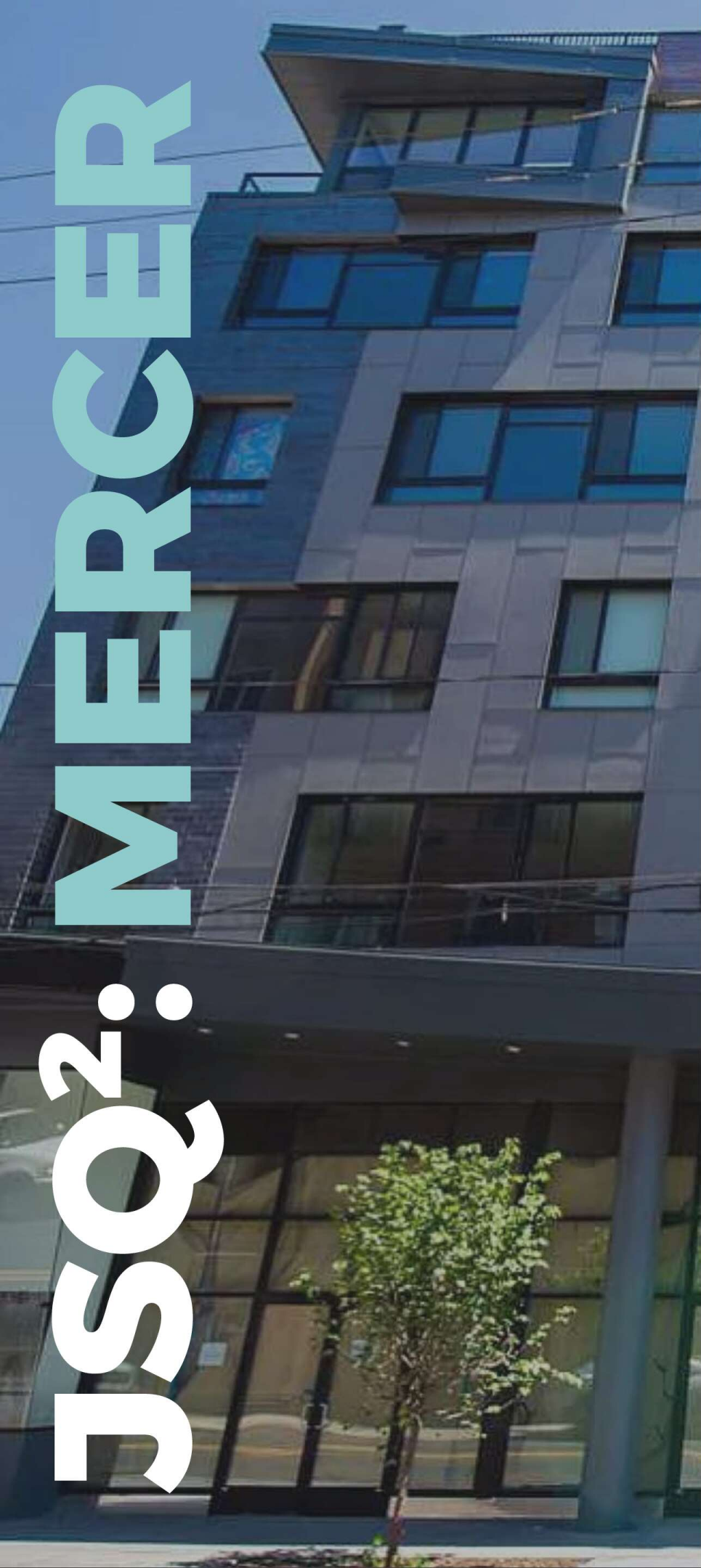
0.7 miles to
PATH Journal
Square



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



JSQ²: MERCER

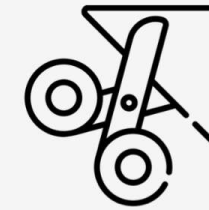


**850 Newark
Ave**

COMPARABLE



Five-story
mixed-use
building



Standard
finishes



.5 miles to
PATH Journal
Square



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

JSQ²:MERCER

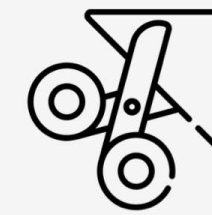


Nest Micro Apartments

COMPARABLE



122-unit
apartment
complex



Opening
Summer 2019

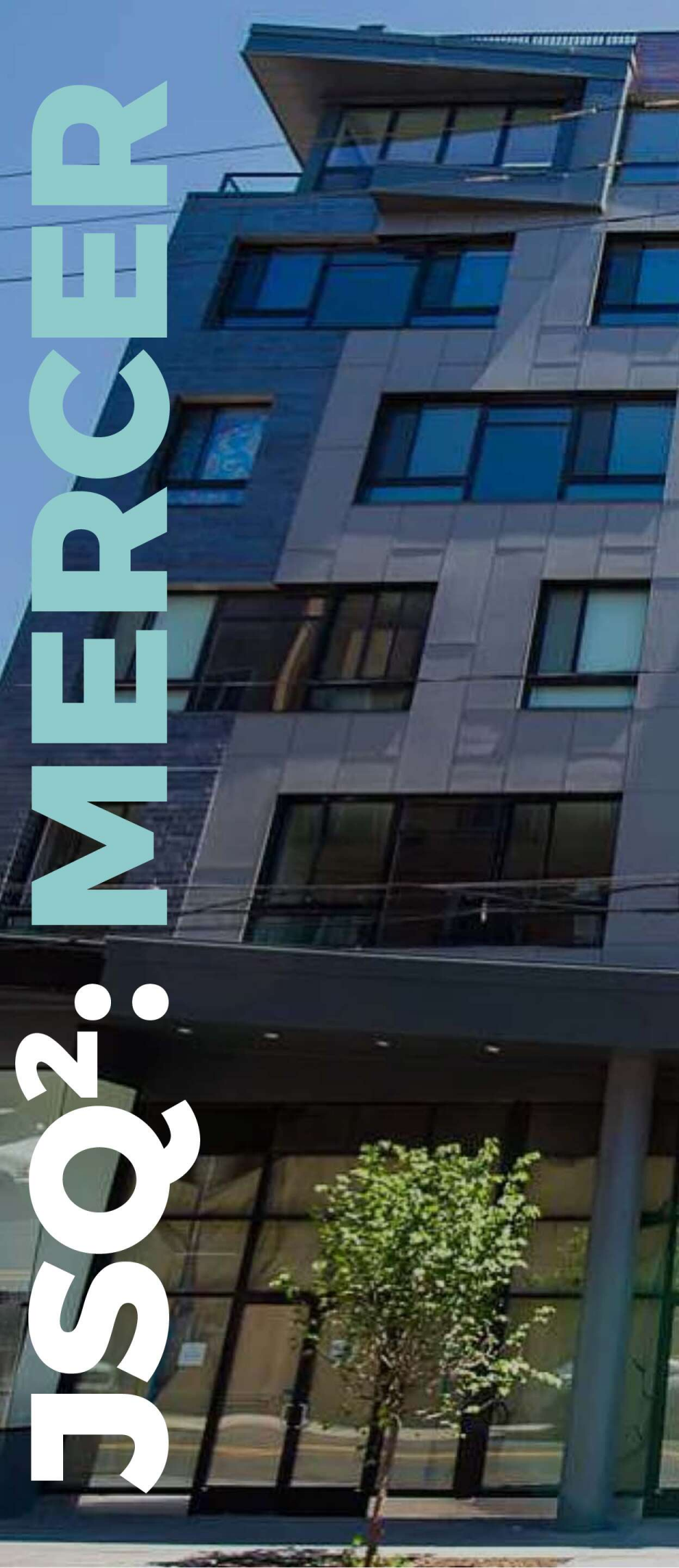


0.5 miles to
PATH Journal
Square



Renting at \$6+
per sq. ft.

JSQ²: MERCER

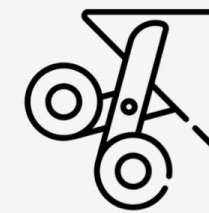


Altura at Journal Square

COMPARABLE



69-unit
apartment
building



Opened in
2019



.3 miles to
PATH Journal
Square



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



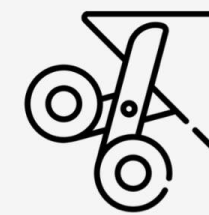
JSQ²: MERCER



Fairmount
COMPARABLE



58-unit
apartment
building



Opened in
2019



.9 miles to
PATH Journal
Square



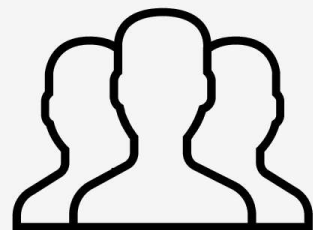
Renting at
\$2,100 for
1BR/1BA units

Competitive Set





JSQ2: MERCER



Meet Our Team

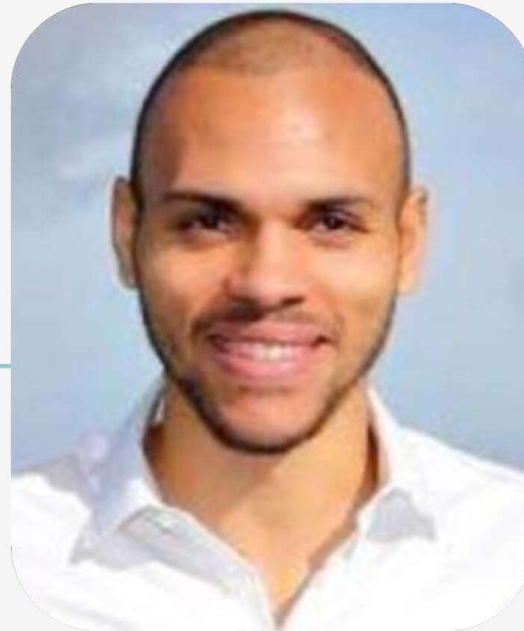
Team



**Philip
Michael**

Founder,
NYCE/MFP

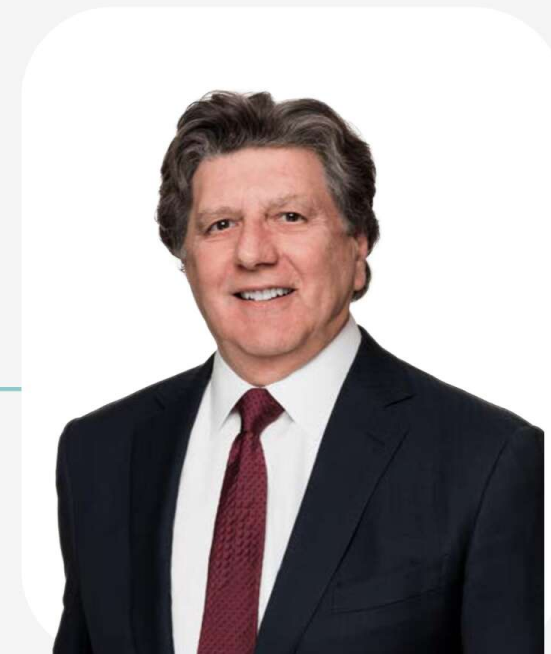
Founder, NYCE
Bestselling author
Harvard University



**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**

Philip Michael

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Martin Braithwaite

Co-founder, NYCE/MFP
martin@nyeg.co