

US Masters Residential Property Fund



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INVESTMENT
SEMINAR

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TOUR GUIDE — BROOKLYN

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Introduction

The History of Brooklyn



BROOKLYN BRIDGE

Settled by the Dutch in 1624 and named “Breukelen,” meaning broken land, the borough has evolved from a broken land into a symbol of strength and unity. Today, it is estimated that one out of every seven Americans can trace their family roots to the streets of Brooklyn; the borough embodies America’s diverse immigrant population. With more than 2.5 million residents, Brooklyn is the most populous of New York City’s five boroughs and has more residents than many landmark US cities, including Boston, Philadelphia and San Francisco.

Although the Dutch had inhabited Brooklyn since the early 1600s, it wasn’t until the first half of the 19th century that Brooklyn began showing signs of true urbanisation. Development first began in economically strategic areas, such as the Town of Brooklyn, which was located directly across from Lower Manhattan and served as a reliable commuter town for Wall Street workers. Further north, the Village of Williamsburg was founded in 1827, and mid-century industrialisation brought shipbuilding and manufacturing to northern Brooklyn. Propelled by increased immigration and industrialisation, Brooklyn’s economic growth and development continued, as piers and factories began to occupy waterfront areas from Gowanus Bay to Greenpoint, with Brooklyn’s Gowanus Canal proving to be an integral industrial access point. The end of the 19th century marked Brooklyn’s final extensive spurt of urbanisation, as railroads in Bay Ridge and Sunset Park marked improvements in the borough’s overall infrastructure.

Brooklyn’s history of immigration and industrialisation is directly reflected in the borough’s diverse population. While individual ethnic groups may have dominated specific areas and neighbourhoods of Brooklyn in the past, increased gentrification, especially in the past century, has created a greater mix of ethnicities and cultures within each neighbourhood. Brooklyn’s wide array of cultural attractions include the Brooklyn Academy of Music, the Brooklyn Philharmonic and the Brooklyn Museum, which serves as the second-largest public art museum in the United States.

In terms of real estate, Brooklyn’s homes are just as beautifully diverse as its population. From brownstones to Italianate mansions and federal brick row houses to turn-of-the-century limestone properties, the borough is home to an amazing display of architecture. These beautiful homes are wonderfully complemented by Brooklyn’s magnificent public areas including Prospect Park, a 236 hectare (585 acre) urban oasis that features picturesque lakes, botanical gardens and outdoor concert forums, as well as Brooklyn Bridge Park, an 34 hectare (85 acre) beautifully manicured park with direct views to the Lower Manhattan skyline.

With such a rich and varied history over such a widespread area, it would be impossible to encompass all of Brooklyn’s noteworthy landmarks in this tour. For the 2015 URF Seminar, we have decided to place a focus on the Bedford-Stuyvesant section of Brooklyn, where the Fund owns a major of its Brooklyn properties. We hope you enjoy them.



Clinton Hill

Tour Guide – the Fund’s Properties



1 272 Lafayette Avenue, Clinton Hill



Purchase date: November 2013
Total acquisition cost: US\$1,680,072
Date built: 1890s
Square footage: 3,626

Purchase condition:

Number of units: 3
Bedrooms: 4
Bathrooms: 3

Post renovation:

Number of units: 1
Bedrooms: 4
Bathrooms: 5

PROPERTY HIGHLIGHTS: Initially purchased by the Fund in November 2013, 272 Lafayette Avenue was acquired in an outdated, uninhabitable condition. After being meticulously reviewed and redesigned by the Dixon Projects team, the property is currently in the process of being converted to a grand single-family home featuring four spacious bedrooms and five modern bathrooms. Located just steps from Brooklyn’s renowned Pratt University, the finished product will feature high-end fixtures and fittings throughout and will be among Clinton Hill’s finest townhomes.

2 274 Lafayette Avenue, Clinton Hill



Purchase date: June 2013
Total acquisition cost: US\$2,439,852
Construction cost: US\$126,078
Total acquisition and construction cost: US\$2,565,930
Date built: 1890s
Square footage: 3,719

Purchase condition:

Number of units: 1
Bedrooms: 4
Bathrooms: 3

Post renovation:

Number of units: 1
Bedrooms: 4
Bathrooms: 3

PROPERTY HIGHLIGHTS: Acquired in June 2013, 274 Lafayette Avenue represents an instance where the Fund was able to target an already renovated property at a discounted price. After closing on the property, it was determined that making a few minor cosmetic upgrades could greatly increase the potential rental value of the property, and after completing the upgrades, the Fund was able to lease the property in November 2013 for US\$8,400 per month. Situated within walking distance of Pratt University and next door to the aforementioned, Fund-owned 272 Lafayette Avenue, the property offers tenants easy access to all of Clinton Hill’s amenities, as well as convenient access to Manhattan.



Bedford-Stuyvesant

The Local Neighborhood and Amenities



A BEAUTIFUL BROWNSTONE BLOCK IN BED-STUY

Recently dubbed “the hottest neighborhood in Brooklyn,” Bedford-Stuyvesant, otherwise known as “Bed-Stuy”, is perhaps New York City’s most rapidly gentrifying neighbourhood. Over the past year, major periodicals including the *New York Times*, *New York Magazine*, and *New York Post* have all anointed the area as the city’s next “up-and-coming” neighbourhood, citing not only the availability of affordable brownstone housing stock relative to other parts of New York City, but also the influx of restaurants, bakeries, boutiques, galleries and wine bars in the area. Despite the hyper-gentrification that Bed-Stuy has experienced in recent years, the neighbourhood is still a community with deep cultural and historic roots, and maintains what the *New York Times* has described as, “the largest collection of intact and largely untouched Victorian architecture in the country.” As the area continues to gain exposure and amenities in the near future, Bed-Stuy is certain to establish itself as one of New York City’s pre-eminent neighbourhoods.



Bedford-Stuyvesant

Tour Guide – the Fund’s Properties



3 272 Jefferson Avenue, Bedford-Stuyvesant



Purchase date: May 2014
Total acquisition cost: US\$1,649,994
Date built: 1890s
Square footage: 5,836

Purchase condition:

Number of units: 1
 # Bedrooms: 6
 # Bathrooms: 4

Post renovation:

Number of units: 1
 # Bedrooms: 5
 # Bathrooms: 5 full and 2.5 baths

PROPERTY HIGHLIGHTS: 272 Jefferson Avenue, acquired in May of 2014, had been owned by New York State since 1971 and had been operated as an alternative school before being auctioned off in August 2013. The elaborate brownstone features stained glass windows and ornate woodwork, as well as a private parking garage and over 5,836 square feet of interior living space. Since it was previously configured as a school, the interior represents a blank canvas for the Dixon Projects team to transform into one of Bedford-Stuyvesant’s premier townhomes.

4 577 Jefferson Avenue, Bedford-Stuyvesant



Purchase date: June 2013
Total acquisition cost: US\$1,221,754
Construction cost: US\$1,509,704
Total acquisition and construction cost: US\$2,731,458
Date built: 1890s
Square footage: 3,897

Purchase condition:

Number of units: 3
 # Bedrooms: 6
 # Bathrooms: 6

Post renovation:

Number of units: 1
 # Bedrooms: 5
 # Bathrooms: 5

PROPERTY HIGHLIGHTS: Completed in November of 2014, 577 Jefferson Avenue was among the first wave of full gut renovation projects to be completed in Brooklyn by the Dixon Projects team. The Queen Anne style brownstone, which was purchased in June 2013 and initially configured as a three-family house, has been transformed into a breathtaking five-bedroom, five-bathroom single-family townhome and now features a spacious parlour floor with an open-concept layout, as well as bedrooms with ensuite bathrooms on the upper floors. The home also features a plethora of original woodwork including an ornate staircase, fireplaces and pocket doors, all of which are perfectly complemented by the Dixon Projects team’s selections of fixtures and fittings.

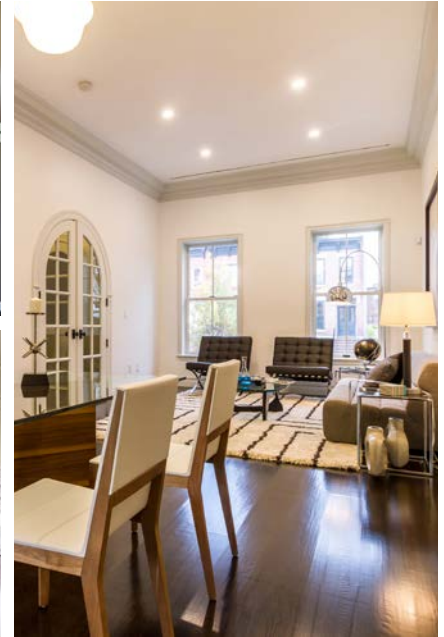


Bedford-Stuyvesant

Tour Guide – the Fund’s Properties



5 592 Hancock Street, Bedford-Stuyvesant



Purchase date: July 2013

Total acquisition cost: US\$756,053

Construction cost: US\$1,133,562

Total acquisition and construction cost:
US\$1,889,615

Date built: 1850s

Square footage: 2,902

PROPERTY HIGHLIGHTS:

Originally built in 1886 and designed by renowned artist William Neal and architect Amzi Hill, 592 Hancock Street was acquired by the Fund in July 2013. At the time of purchase, the property had an awkward layout and unattractive façade, both of which have been completely overhauled by the Dixon Projects team. The finished product now features four spacious bedrooms and bathrooms, including a master bedroom on the third floor complete with walk-in closets and an ensuite bathroom. The redesigned layout also allows for an open-concept layout on the parlour floor, creating a spacious cooking and entertainment area which leads directly out to the newly manicured backyard.

Purchase condition:	Post renovation:
Number of units: 3	Number of units: 1
# Bedrooms: 3	# Bedrooms: 4
# Bathrooms: 3	# Bathrooms: 4



Bedford-Stuyvesant

Tour Guide – the Fund’s Properties



6 455 Hancock Street, Bedford-Stuyvesant



Purchase date: September 2013
Total acquisition cost: US\$823,144
Construction cost: US\$1,096,263
Total acquisition and construction cost: US\$1,919,407
Date built: 1890s
Square footage: 2,580

Purchase condition:

Number of units: 2
 # Bedrooms: 4
 # Bathrooms: 3

Post renovation:

Number of units: 1
 # Bedrooms: 4
 # Bathrooms: 4.5

PROPERTY HIGHLIGHTS: Acquired in September 2013 as a dilapidated two-family house, 455 Hancock Street underwent a complete gut renovation at the hands of the Dixon Projects team and has been converted into a stunning single-family home featuring four bedrooms and four-and-a-half bathrooms. Since many of the home’s original details had been removed or destroyed by the previous owner, the team had the freedom to add a modern element to the interior design fittings, which were a massive success amongst prospective tenants, and the property was leased for US\$7,500 per month shortly after the completion of the renovation.

7 341 Hancock Street, Bedford-Stuyvesant



Purchase date: May 2013
Total acquisition cost: US\$1,356,120
Date built: 1890s
Square footage: 3,128

Purchase condition:

Number of units: 3
 # Bedrooms: 4
 # Bathrooms: 4.5

Post renovation:

Number of units: 1
 # Bedrooms: 6
 # Bathrooms: 6.5

PROPERTY HIGHLIGHTS: Initially purchased as a three-family house in May 2013, 341 Hancock Street is currently in the process of being converted into a grand single-family home. The property’s front façade and ironwork have been recently restored, and the interior of the property retains a handful of original details which include fireplace mantels, crown mouldings and parquet flooring. The finished product will feature a contextual renovation spanning over 3,128 square feet of living space that flawlessly incorporates the homes original details and adds two full bedrooms and bathrooms.



Bedford-Stuyvesant

Tour Guide – the Fund’s Properties



8 201 Hancock Street, Bedford-Stuyvesant



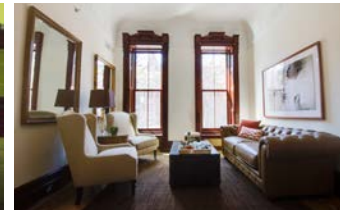
EXTERIOR BEFORE



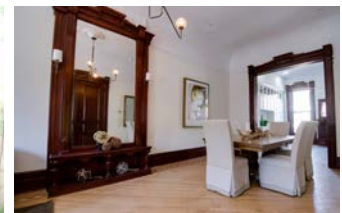
EXTERIOR AFTER



INTERIOR BEFORE



INTERIOR AFTER



Purchase date: December 2012

Total acquisition cost: US\$1,058,036

Construction cost: US\$2,279,340

Total acquisition and construction cost: US\$3,337,376

Date built: 1890s

Square footage: 4,193

Purchase condition:	Post renovation:
Number of units: 4	Number of units: 1
# Bedrooms: 7	# Bedrooms: 4
# Bathrooms: 4	# Bathrooms: 4.5

PROPERTY HIGHLIGHTS: Located in the heart of Bedford-Stuyvesant and just minutes from the Nostrand Avenue transportation hub, 201 Hancock Street is a magnificent four-level brownstone featuring an abundance of original woodwork. Acquired by the Fund in December 2012, the property was the Fund’s second Brooklyn purchase and represented the Fund’s first foray into the Bedford-Stuyvesant neighbourhood. At the time, the property was configured as a two-family residence with the bottom three floors serving as an owner’s triplex, while the top floor was configured as a one-bedroom, one-bathroom rental unit.

While the key selling feature of 201 Hancock Street was its outstanding amount of original woodwork, much of it was in need of intensive restoration. The property was also missing its signature front stoop, one of the most notable characteristics of a textbook New York City brownstone. These two issues, along with the suboptimal interior floor plan, were among the major concerns that the Dixon Projects team sought to resolve when beginning the property’s restoration.

Over the course of 2014, the Dixon Projects team has transformed this spacious brownstone into a grand single-family residence which now features four bedrooms and four-and-a-half bathrooms, with each of the bedrooms featuring an accompanying ensuite bathroom and ample closet space. The property also features a spacious, open-concept parlour level which seamlessly incorporates the home’s kitchen, living and dining areas, and allows for convenient access to the manicured backyard entertaining area.

Bedford-Stuyvesant

Tour Guide – the Fund’s Properties



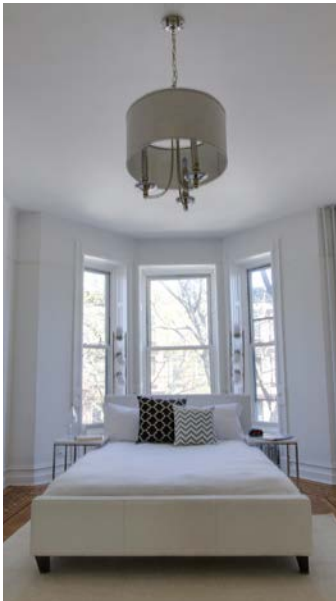
9 196 Hancock Street, Bedford-Stuyvesant



EXTERIOR BEFORE



INTERIOR BEFORE



INTERIOR AFTER



INTERIOR AFTER

Purchase date: June 2014

Total acquisition cost: US\$2,135,748

Construction cost: US\$352,650

Total acquisition and construction cost: US\$2,488,398

Date built: 1890s

Square footage: 3,287

Purchase condition:	Post renovation:
Number of units: 3	Number of units: 1
# Bedrooms: 8	# Bedrooms: 4
# Bathrooms: 3.5	# Bathrooms: 4

PROPERTY HIGHLIGHTS: Perhaps the Fund’s most notable acquisition, 196 Hancock Street was purchased in June 2014 for US\$2,100,000. The Queen Anne style brownstone, built in the late 1800s by renowned architect Gilbert Alphonse Schellenger, is a trophy property that features all of the most desirable period details of a typical Brooklyn brownstone including stained glass, floral ceiling mouldings, carved stair railings, intricate woodwork and several decorative fireplaces. Most notably, the home’s parlour level has been remarkably well-preserved and makes for a stunning entrance into the property.

Although 196 Hancock Street appeared to be in pristine condition, the Dixon Projects team went through an extensive inspection process prior to the Fund’s bidding and it was determined that the property could be renovated and reconfigured into a spectacular single-family home at a minimal renovation cost. The renovation removed the kitchens from the top two levels, which had been rental units, and seamlessly incorporated the former rental units into the lower levels. In addition, the existing kitchen on the garden level was repositioned to the parlour level, which now features interconnected kitchen, living and dining areas. Finally, the team gut renovated the property’s bathrooms, which now feature new tile and fixtures and created a high-end chef’s kitchen, complete with custom cabinetry and stainless steel appliances, giving 196 Hancock Street the perfect touch of modern amenity to juxtapose the home’s abundance of old world charm.



Bedford-Stuyvesant

Tour Guide – the Fund’s Properties



10 160 Hancock Street, Bedford-Stuyvesant



Purchase date: February 2013
Total acquisition cost: US\$1,094,958
Date built: 1890s
Square footage: 2,816

Purchase condition:

Number of units:
 Single Room Occupancy (SRO)
 # Bedrooms: 7
 # Bathrooms: 3.5

Post renovation:

Number of units: 1
 # Bedrooms: 7
 # Bathrooms: 4

PROPERTY HIGHLIGHTS: Initially acquired at the beginning of 2013, 160 Hancock Street’s prime Bedford-Stuyvesant location is at the heart of the neighbourhood’s burgeoning gentrification scene, with the area’s transformation and improvement evident almost daily. Upon acquisition, the property was configured as a four-family home with each level featuring a floor-through apartment. Although four-family properties are frequently filled with short-term renters that have no vested interest in maintaining the property or its original detail, 160 Hancock Street has managed to survive without any noticeable damage to its unique features which include decorative fireplaces, pocket doors, ceiling mouldings and ornate woodwork.

160 Hancock Street will ultimately be crafted into a remarkable townhome, as the Dixon Projects team has created a magnificent proposal to turn the property into a seven-bedroom, four-bathroom single-family residence which will incorporate contextual design choices to complement the bevy of original details. Located just two blocks from the Nostrand Avenue transportation hub, which offers express train service to Manhattan, the property, once completed, will prove to be one of the Fund’s premier Bed-Stuy rentals.

11 145 Hancock Street, Bedford-Stuyvesant



Purchase date: June 2013
Total acquisition cost: US\$1,144,691
Date built: 1890s
Square footage: 3,190

Purchase condition:

Number of units:
 Single Room Occupancy (SRO)
 # Bedrooms: 9
 # Bathrooms: 4.5

Post renovation:

Number of units: 1
 # Bedrooms: 4
 # Bathrooms: 4.5

PROPERTY HIGHLIGHTS: Acquired by the Fund in March of 2013, 145 Hancock Street is another example of the Fund acquiring a property that was previously a single room occupancy (SRO), at a discounted rate. Although the property requires a three-year waiting period to remove the legal SRO status, the Fund has seen substantial price appreciation during the holding period and will be able to begin renovation on the property in 2016.

Since the Dixon Projects team will not be able to begin renovation until 2016, plans have yet to be conceived for the best future use of the property. Regardless of the determined configuration, the renovation will certainly restore the property’s ample original detail and will incorporate fittings that harmonise with the original features. Located on a spectacular, tree-lined block of Hancock Street amidst some of the aforementioned Fund-owned properties, 145 Hancock Street will ultimately become one of the Fund’s pre-eminent Bed-Stuy townhomes.



Park Slope

Tour Guide – the Fund’s Properties

12 5 Plaza Street West, Park Slope



Purchase date: March 2015
Total acquisition cost: US\$4,005,584
Date built: 1890's
Square footage: 5,200

Purchase condition:

Number of units: 1
Bedrooms: 8
Bathrooms: 3

Post renovation:

Number of units: 1
Bedrooms: 7
Bathrooms: 4 full and 2 half

PROPERTY HIGHLIGHTS: Acquired in March 2015, the Fund was able to obtain 5 Plaza Street West in a pre-market transaction, contracting the property before other buyers were offered an opportunity to place a bid. The stately limestone property, which features over 5,000 square feet of interior living space, is just steps from Prospect Park and Grand Army Plaza, and retains a plethora of original features including ornate woodwork, fireplaces, stained glass windows and parquet flooring. As an added bonus, the property features two private parking spaces and easy access to subways offering transportation to Manhattan. In evaluating the property, the Fund was able to conclude it would only require minimal renovation in order to achieve a premium market rent, making 5 Plaza Street West the Fund's most impressive Park Slope acquisition to date.

13 98 6th Avenue, Park Slope



Purchase date: August 2013
Total acquisition cost: US\$3,318,111
Date built: 1890s
Square footage: 3,929

Purchase condition:

Number of units: 4
Bedrooms: 12
Bathrooms: 5.5

Post renovation:

Number of units: 1
Bedrooms: 6
Bathrooms: 7.5

PROPERTY HIGHLIGHTS: Built in 1921, this grand corner brownstone features a massive 3,929 square feet of living space and is being transformed into an unparalleled single family home. Purchased by the Fund in August 2013, the property represented a rare opportunity to not only obtain a unique property in Park Slope, one of Brooklyn's premier neighbourhoods, but also a chance to acquire a private four-car parking garage, an ultra-rare and unheard of commodity in the New York City area. Although the property was previously configured as four rental units, the Dixon Projects team's completed single-family home will feature six bedrooms, seven-and-a-half bathrooms, and amenities such as an elevator, private gymnasium and roof deck offering unobstructed views of Manhattan.



Park Slope

Tour Guide – the Fund’s Properties



14 37 Prospect Place, Park Slope



Purchase date: December 2012
Total acquisition cost: US\$1,520,132
Construction cost: US\$55,3040
Total acquisition and construction cost: US\$2,073,172
Date built: 1890's
Square footage: 3,217

Purchase condition:

Number of units: 2
 # Bedrooms: 6
 # Bathrooms: 3.5

Post renovation:

Number of units: 2
 # Bedrooms: 5
 # Bathrooms: 5.5

PROPERTY HIGHLIGHTS: A focal point of the 2013 URF Investor Seminar, 37 Prospect Place was among the first properties purchased in Brooklyn by the Fund. When acquired in December 2012, the property’s exterior was severely outdated, and the interior had an awkward layout that deterred many potential homeowners. The Dixon Projects team has since renovated the two-family townhome which now features high-end modern finishes that perfectly juxtapose the home’s original details. The finished product features a one-bedroom, one-bathroom garden apartment, with a four-bedroom, four-and-a-half bathroom triplex on the upper three levels. The home now boasts high-end chef’s kitchens with fresh white cabinetry and stainless steel appliances, as well as modern bathrooms with high-end finishes and fixtures. The property also features a wooden deck and manicured backyard entertaining area. After the renovation, the Fund was able to rent both units, achieving a combined rental value of US\$13,440 per month.

15 29 Prospect Place, Park Slope



Purchase date: December 2012
Total acquisition cost: US\$2,721,257
Construction cost: US\$46,026
Total acquisition and construction cost: US\$2,767,283
Date built: 1860's
Square footage: 2,571

Purchase condition:

Number of units: 2
 # Bedrooms: 5
 # Bathrooms: 4

Post renovation:

Number of units: 2
 # Bedrooms: 5
 # Bathrooms: 4

PROPERTY HIGHLIGHTS: This charming brick row house, acquired by the Fund in June 2013, is configured as a two-family residence with a floor plan that allows the flexibility to also be leased as a single-family home. The triplex unit, which is composed of the top three floors, features four bedrooms and three bathrooms while the garden level is a charming one-bedroom, one-bathroom unit that can be seamlessly incorporated with the upper floors. The property boasts many of its original details including hardwood floors and a carved wooden staircase and balusters. Since the property was in a well-renovated state at the time of purchase, the Fund was able to immediately begin marketing it for rent, and ultimately accepted an application to rent the entire house for US\$12,500 per month.



Park Slope

Tour Guide – the Fund’s Properties

16 414 Dean Street, Park Slope



Purchase date: November 2013

Total acquisition cost: US\$1,552,057

Date built: 1890s

Square footage: 3,338

Purchase condition:

Number of units: 2

Bedrooms: 5

Bathrooms: 2

Post renovation:

Number of units: 1

Bedrooms: 4

Bathrooms: 4

PROPERTY HIGHLIGHTS: Located just steps from the Barclays Center and the Atlantic Terminal transportation hub, 414 Dean Street combines luxurious Park Slope living with convenient access to Brooklyn’s most noteworthy amenities. The Fund was able to purchase the property through an estate sale in November 2013, and like most estate sale properties, the home was in need of substantial renovation. The Dixon Projects team plans to transform the property into a striking single-family home featuring four bedrooms, four bathrooms and high-end finishes throughout the interior living space.



Cobble Hill

Tour Guide – the Fund’s Properties



17 132 Kane Street, Cobble Hill



Purchase date: April 2013

Total acquisition cost: US\$3,121,713

Date built: 1860s

Square footage: 3,157

Purchase condition:

Number of units: 3

Bedrooms: 2

Bathrooms: 3.5

Post renovation:

Number of units: 1

Bedrooms: 4

Bathrooms: 4.5

PROPERTY HIGHLIGHTS: 132 Kane Street was purchased as part of a rare Cobble Hill parcel consisting of three separate addresses – 132 Kane Street, 6 Cheever Place and 8 Cheever Place. At the time of purchase, the package was configured as two storefronts and five apartments spread over two buildings, so the unique acquisition offered the Dixon Projects team an endless array of renovation possibilities. 132 Kane, pictured above, is currently in the process of being converted into a four-bedroom, five-bathroom single-family home. The renovation concept was inspired by early 20th century French architects and designers and will exhibit a refined industrialism and understated luxury.



