

Brooklyn Village Status Update

Presented by



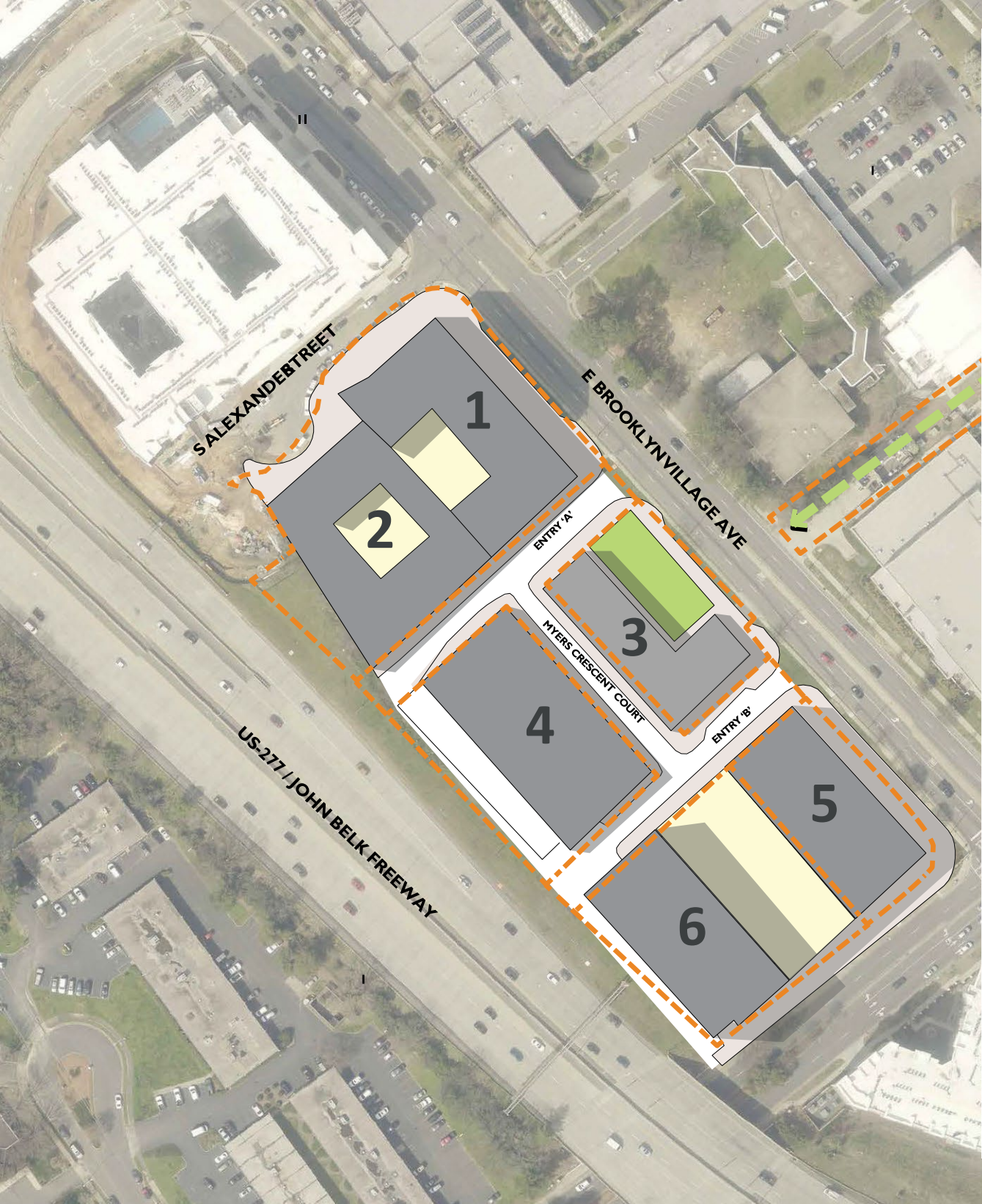
CONFORMITY
CORPORATION

PHASE I: CURRENT STATUS / HORIZONTAL IMPROVEMENTS

Event	Date Started	Date Completed
Long Lead Procurement	8/31/2023	12/20/2023
Detention System	8/31/2023	12/20/2023
Building Demolition	8/7/2023	10/31/2023
Abestos Abatement	8/7/2023	8/15/2023
Yard Lay and Temporary Fencing Install	8/16/2023	8/17/2023
Demolition of Building	9/19/2023	10/31/2023
Site Grading and Utilities	8/31/2023	8/2/2024
Site Demolition for Erosion Control	8/31/2023	9/7/2023
Install Erosion Control	9/8/2023	10/2/2023
Grading Permit	9/28/2023	9/28/2023
Demolition of Remaining Hardscaping	9/29/2023	10/23/2023
Site Tree Removal	9/29/2023	10/17/2023
Mass Grading and Cut Stockpile	10/24/2023	11/20/2023
Storm Drain and Road Tie-In Install	11/21/2023	11/29/2023
Detention System Install	12/21/2023	2/8/2024
Storm Drainage Tie-In to Detention System Install	2/9/2024	4/4/2024
Demo and Grading for Road Tie-In	4/5/2024	5/14/2024
Sanitary Sewer Manholes and Tie-In Laterals Install	5/15/2024	7/30/2024
Underground Utilities Relocation	6/17/2024	7/10/2024
Final Site Dress Up	7/11/2024	8/2/2024



PHASE I: PROGRAM



Parcels 1 and 2

- Multifamily 552 units | 633,781 GSF 497 MR | 55 Affordable
- Retail 22,100 GSF
- Parking 636 spaces

Parcel 3

- Hotel 150 keys | 72,581 GSF

Parcel 4

- Multifamily 336 units | 280,150 GSF 302 MR | 34 Affordable
- Retail 27,588 GSF
- Parking Garage 250 spaces

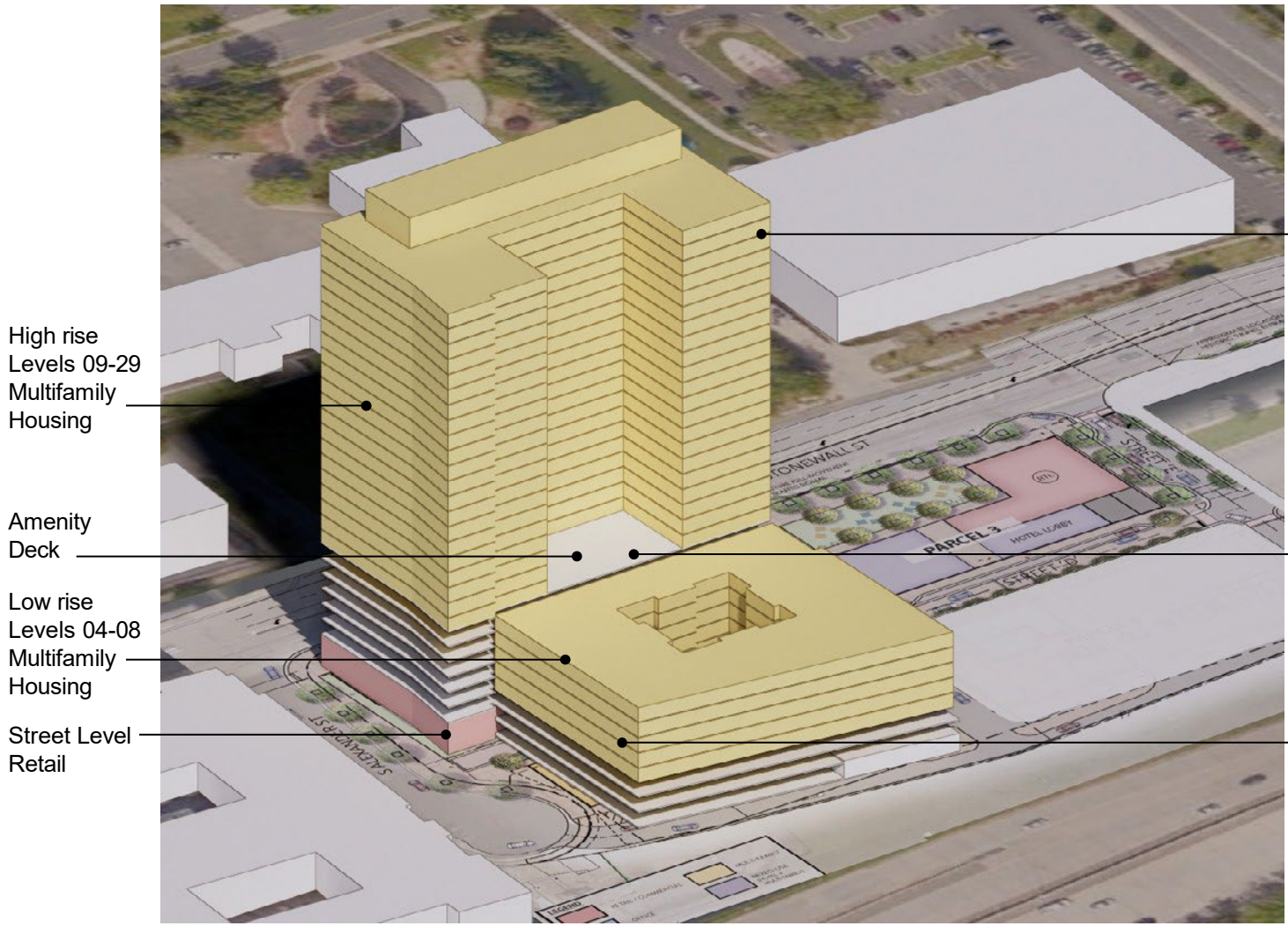
Parcel 5

- Office 194,400 GSF
- Retail 6,490 GSF
- Parking 428 spaces

Parcel 6

- Office 364,480 GSF
- Retail 12,168 GSF
- Parking 801 spaces

PARCELS 1 & 2: MULTIFAMILY



Total Units	552
Market Rate Units	496
Affordable Units	56

Total Area (Gross Sq. Ft.)	1,137,046
Multifamily	633,781
Retail	242,536
Amenity	16,150
Parking	244,579

Total Cost (est.)	\$ 275,476,909
Cost per Unit	\$ 499,052
Cost per Sq. Ft.	\$ 242.27



BROOKLYN VILLAGE (PHASE I)

BK PARTNERS LLC



Key Takeaway

Challenges Impacting Development in Charlotte:

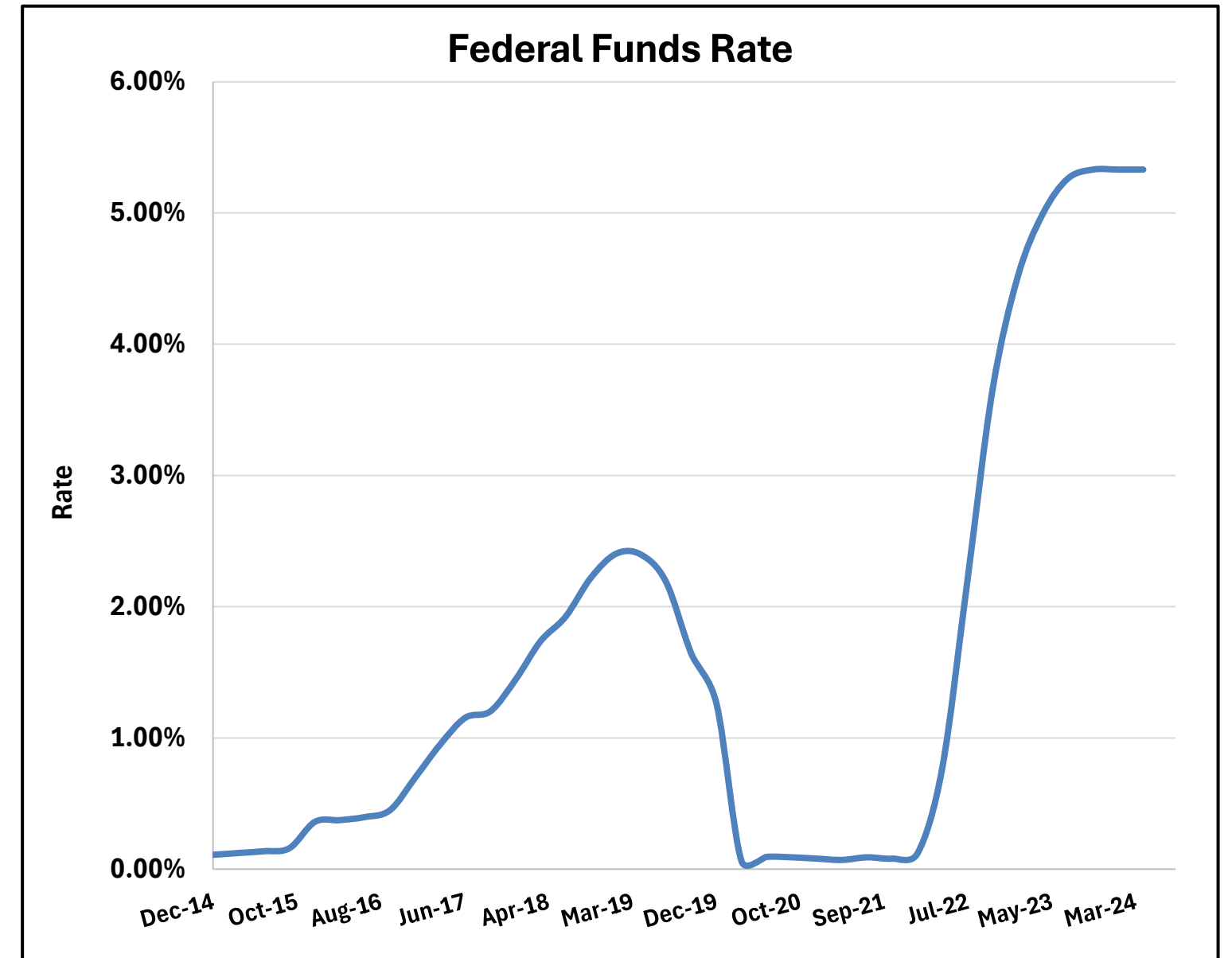
- Unfavorable economic conditions
- Increased interest rates
- Stricter capital funding criteria

To secure the necessary equity for multifamily development in 2024, rents must be twice the current Uptown submarket average.



Capital Markets

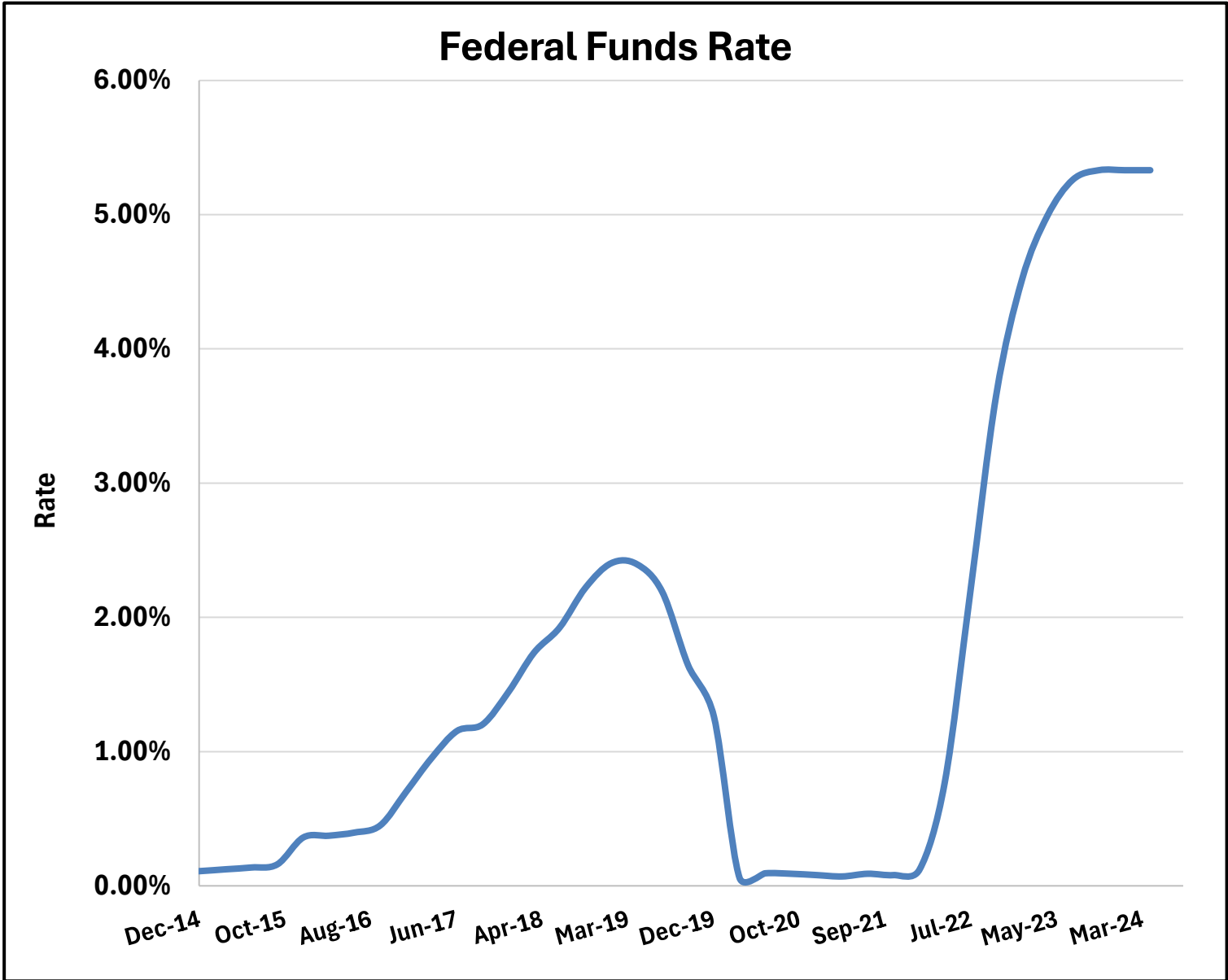
Problem	Impact
<ul style="list-style-type: none">The Federal Reserve has raised interest rates to a 20-year high to combat inflation.	<ul style="list-style-type: none">Properties generate lower net cash flow (profit) as a result of higher interest payments



Source: St.Louis FRED US Bureau of Labor Statistics

Capital Markets cont.

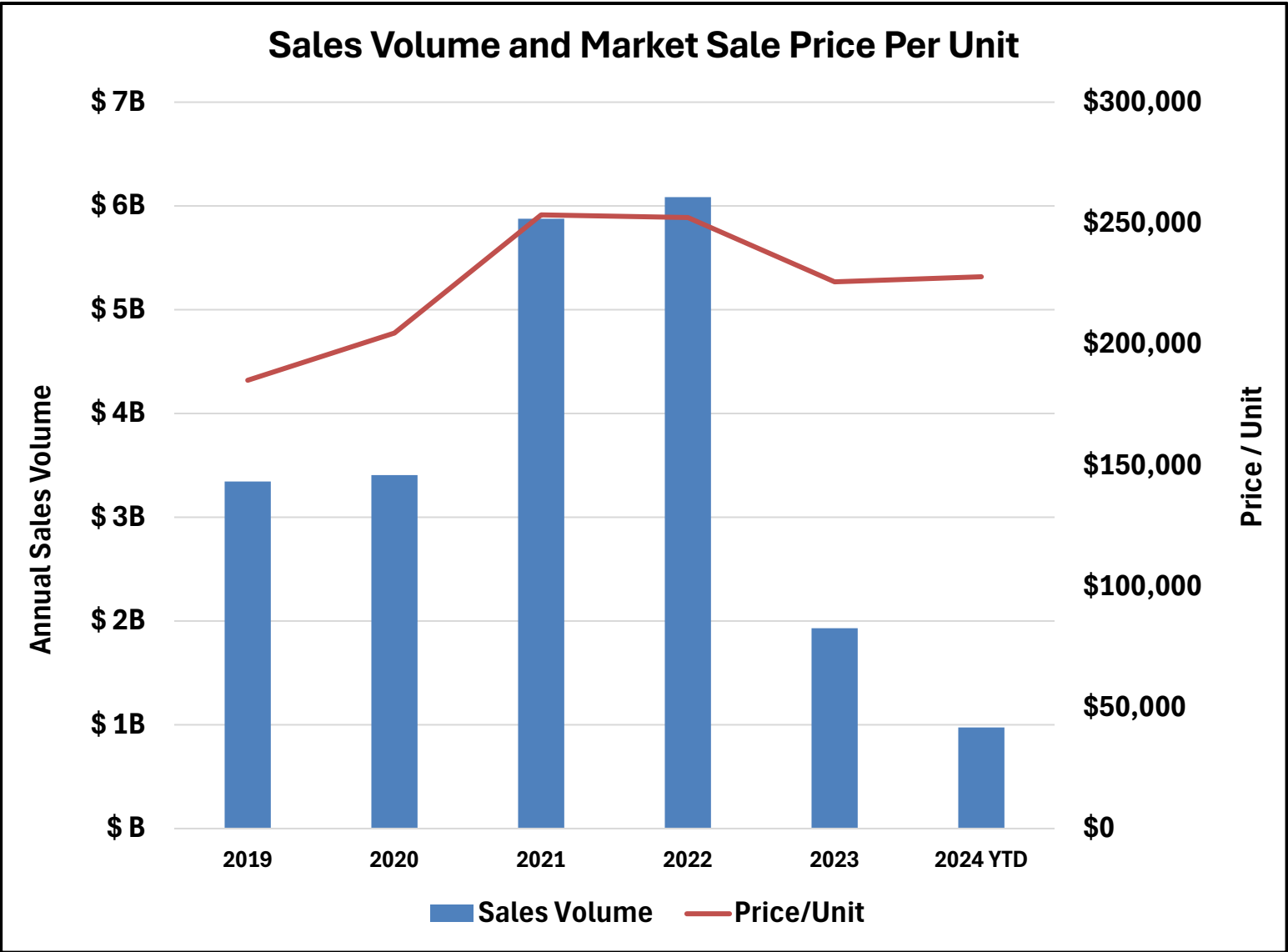
Problem	Impact
<ul style="list-style-type: none"> Properties must generate more revenue to cover the increased interest expenses 	<ul style="list-style-type: none"> Properties must sell at a discount for investors to maintain dividends / returns.
<ul style="list-style-type: none"> Uncertainty about when the Federal Reserve will lower interest rates 	<ul style="list-style-type: none"> This uncertainty has led investors to require higher returns to protect against risk



Source: St.Louis FRED US Bureau of Labor Statistics

Charlotte Market – Transactions

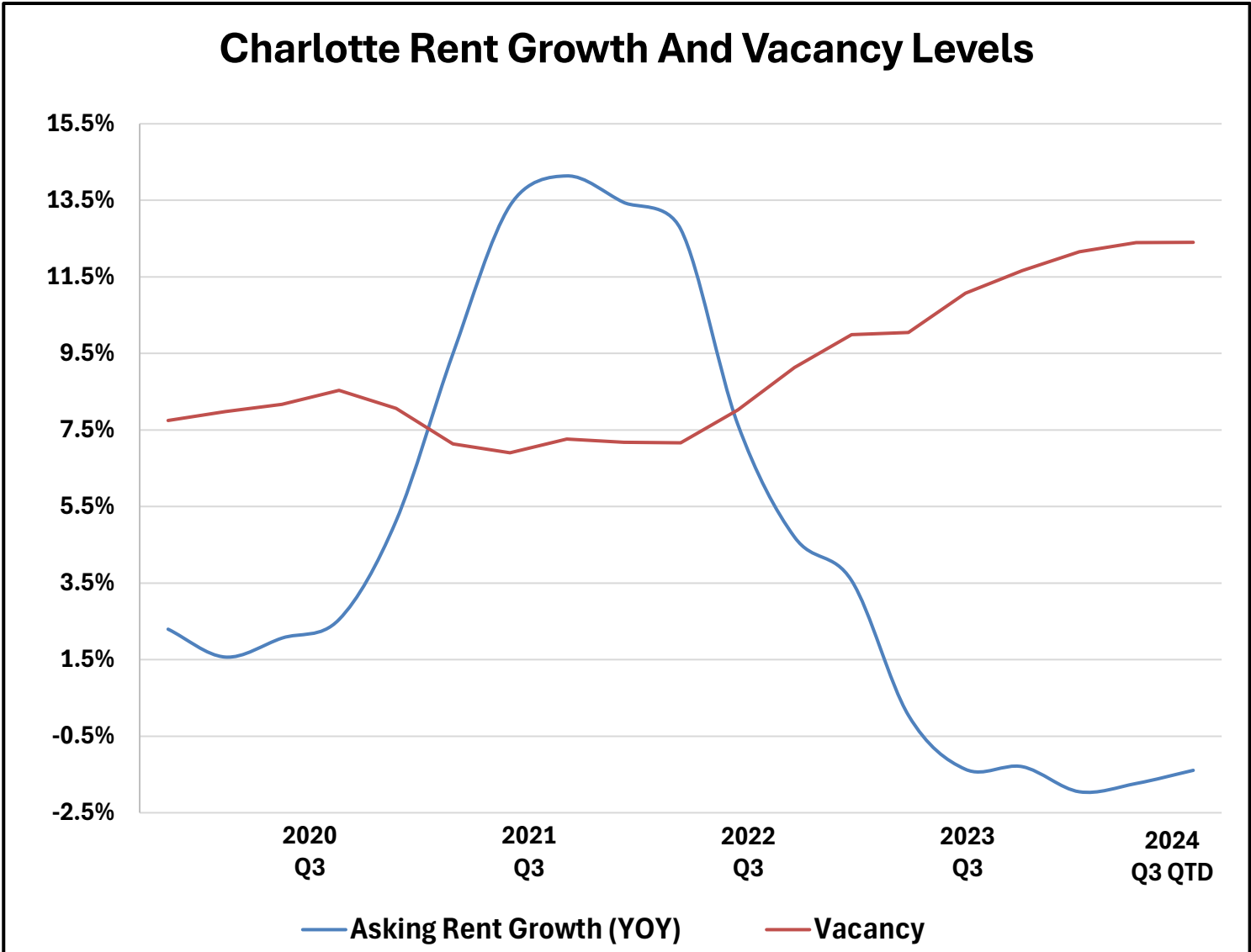
Problem	Impact
<ul style="list-style-type: none"> There are mismatched pricing expectations between buyers and sellers 	<ul style="list-style-type: none"> Transaction volume in the Charlotte market has decreased by 71% year-over-year The average sale price per unit has dropped by 23.4% annually



Source: CoStar and Axiometrics

Charlotte Market – Rent and Vacancies

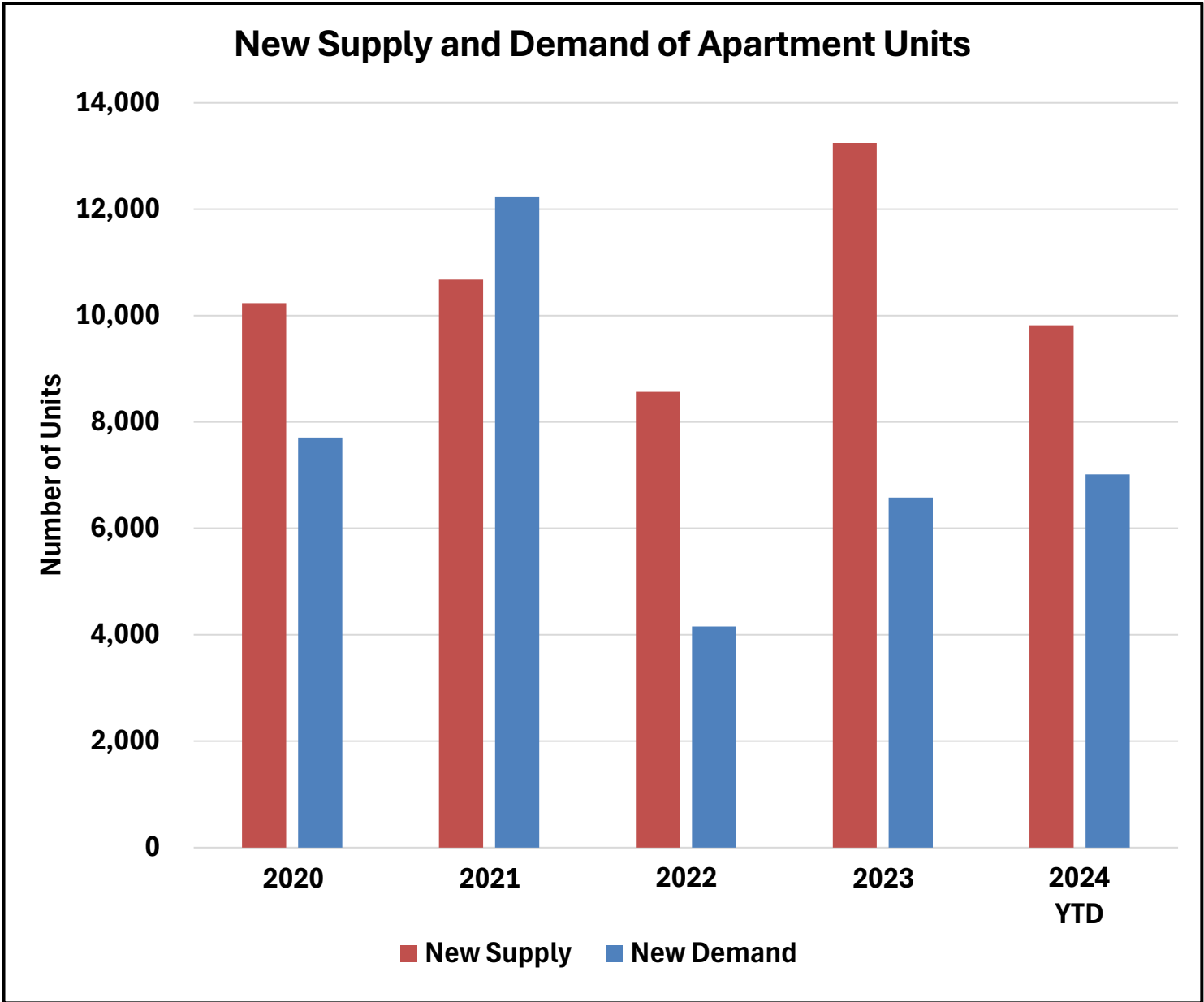
Problem	Impact
<ul style="list-style-type: none"> New apartment construction has exceeded demand in four of the past six years 	<ul style="list-style-type: none"> Apartment vacancies have reached a 25-year high Rents have decreased by 2.6% year-to-date as owners strive to attract and retain tenants



Source: CoStar

Charlotte Market – Oversupply of Multifamily Units

Problem	Impact
<ul style="list-style-type: none"> • There are currently over 33,000 apartment units under construction in the Charlotte market • More than 14,000 units were completed and delivered in the past year • Over the past five years, the annual demand for apartments has averaged fewer than 7,500 units. 	<ul style="list-style-type: none"> • It will take more than 4.5 years for the Charlotte market to absorb both the newly constructed and under-construction apartment units



Source: CoStar

Our Position

Forecast of Charlotte Development and Brooklyn Village:

- Expected interest rate reduction starting in Q4 of this year
- Faster-than-projected absorption of new supply
- Anticipated start of vertical construction of Parcels 1 & 2 in June of 2026



QUESTIONS



BROOKLYN VILLAGE (PHASE I)



CONTACT US

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