Project Destined

Table of Contents

I. Project Destined Overview

II. Program Structure & Curriculum

III. Sample Deal Overview & Student Presentation

Project Destined Overview

1 in 3 people lack financial or investment literacy. We're on a mission to change that, starting in underserved communities.

PROJECT·DESTINED

Project Destined Overview

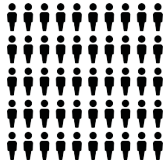
We provide case-based training grounded in ownership, investing analysis & financial health

Train: 40+ hours of blended (e-learning and live courses) training for high school students and veterans.

Compete: Analyze live local real estate deals and present the opportunities to local executives in a “Shark Tank” style pitch competition where they earn scholarships.

Grow: Our Scholars use the skills, experience and network from Project Destined to obtain internships, full time employment and certifications.

NUMBER OF CITIES LAUNCHED: 7



NUMBER OF URBAN YOUTH PARTICIPATED TO DATE: 500

% OF SCHOLARS SECURING JOBS, INTERNSHIPS, OR CERTIFICATIONS 70%

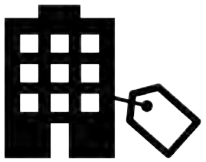
Our Curriculum

Our program integrates soft and hard skills delivered in partnership with leading company executives

Art of Storytelling & Business Communication

Business and Financial Literacy Fundamentals

Deal Sourcing



Asset Valuation: Art and Science

Market Research

Design & Construction Management

Marketing

Property Management

Our Partners

Partners play a key role in delivering programming and impact, empowering the next generation of owners

Academic

CUNY The Greatest Urban University in the World

USC University of Southern California

Spelman College

Morehouse College

Baruch College The City University of New York

Georgia State University

Hunter The City University of New York

Bronx Community College

Banneker High School

Comp Sci High

North Atlanta High School

H. Langston Hughes High School

Douglass High School Memphis, Tennessee

Henry W. Grady High School Atlanta, Georgia

Corporate

Brookfield Properties

Cortland

Sciame Where Building Is An Art

mastercard.

REBNY

Walker & Dunlop

Unibail-Rodamco-Westfield

Tryax Realty Management, Inc.

Philanthropic

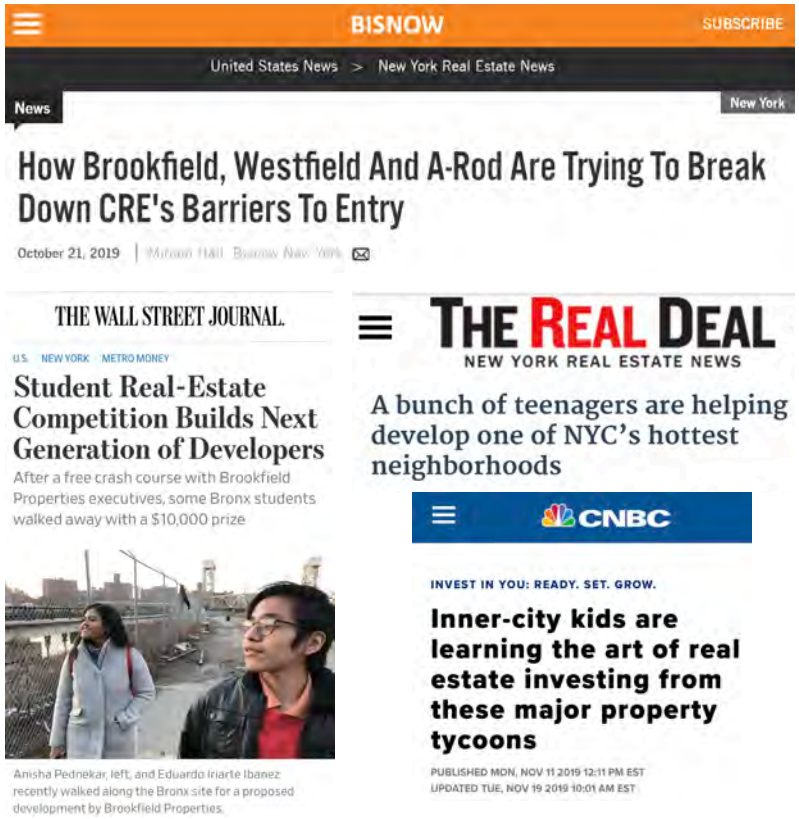
The James and Judith K. Dimon Foundation

Gray Foundation

Here to Here

Case Study: Brookfield Properties

Brookfield has supported Project Destined in training 200+ Scholars in New York & Los Angeles



BISNOW SUBSCRIBE

United States News > New York Real Estate News

News New York

How Brookfield, Westfield And A-Rod Are Trying To Break Down CRE's Barriers To Entry

October 21, 2019

THE WALL STREET JOURNAL.

U.S. NEW YORK METRO MONEY

Student Real-Estate Competition Builds Next Generation of Developers

After a free crash course with Brookfield Properties executives, some Bronx students walked away with a $10,000 prize

Anisha Pednekar, left, and Eduardo Iriarte Ibanez recently walked along the Bronx site for a proposed development by Brookfield Properties.

THE REAL DEAL

NEW YORK REAL ESTATE NEWS

A bunch of teenagers are helping develop one of NYC's hottest neighborhoods

CNBC

INVEST IN YOU: READY. SET. GROW.

Inner-city kids are learning the art of real estate investing from these major property tycoons

PUBLISHED MON, NOV 11 2019 12:11 PM EST

UPDATED TUE, NOV 19 2019 10:01 AM EST

Delivering Impact In Underserved Markets

- **Train.** Trained over 200 Scholars engaging corporate and community partners. Built strong academic partnerships highlighted by new credit bearing course at Lehman College-CUNY.
- **Compete.** Scholars participated in multiple live deal competitions including "Shark Tank" style pitch presentations to community, political and business leaders.
- **Grow.** Scholars earned over $25,000 in scholarships and internships at leading companies including **Brookfield Properties, Unibail-Rodamco-Westfield, Tishman Speyer, J.P. Morgan, Freddie Mac and Morgan Stanley.**

Case Study: Comp Sci High School

Project Destined trained CSH staff who taught 120 students as part of an in-school program & competition

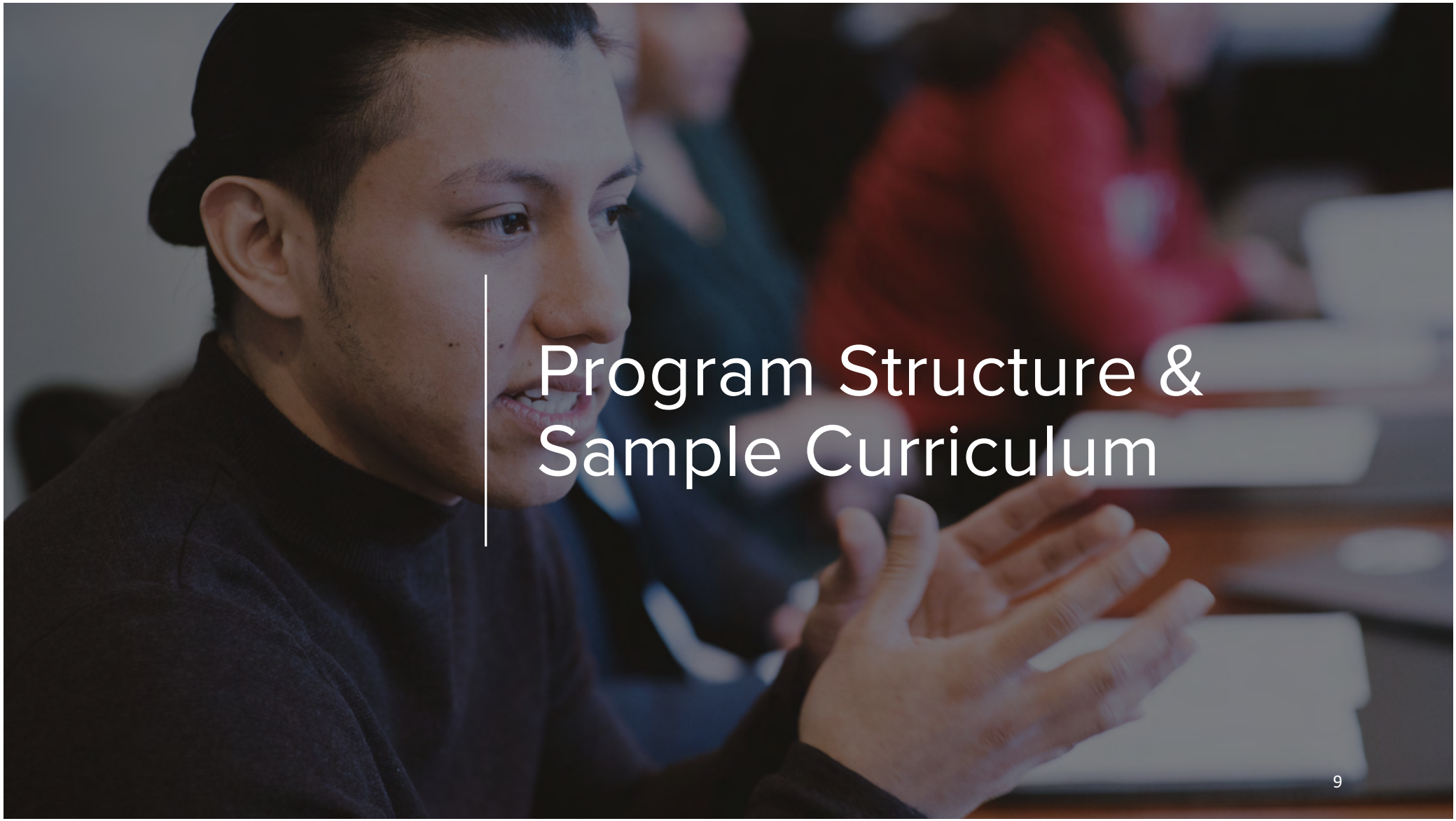
REAL ESTATE

Project Destined students prepare mock Mott Haven development pitches

Sarina Trangle February 28, 2019

School Partnership Delivers Impact

- **Train.** Trained 120 Scholars as part of in-school course that included 20+ hours of e-learning & in person training. Project Destined team provided 10+ hours of training to Comp Sci High School (CSH) staff who delivered the curriculum in partnership with our team and local corporate partners.
- **Compete.** Scholars participated in live deal competitions featuring a multifamily asset in their community. Competition included ”Shark Tank” style pitch presentation to community & business leaders.
- **Grow.** Scholars earned over $10,000 in scholarships and the opportunity to participate in virtual, paid summer internship program.



Program Structure & Sample Curriculum

Program Structure

Our programming is structured around four core elements across all markets

E-Learning

Proprietary E-learning platform that provides critical language and the foundation to maximize the live courses. Courses include animated modules covering:

- Real Estate Fundamentals
- Basics of Deal Making
- Real Estate Valuation
- Deal Financing

Each module is complemented by a check-in quiz to ensure mastery of each topic.

Live Courses

Live Courses include instructor led sessions that integrate theory and application to a live project. Course topics will include:

- Real Estate Acquisition Process & Players
- Valuation Techniques
- Deal Financing
- Market Research
- The Art of (Strategic) Storytelling

Speaker Series

The Executive Speaker Series **feature local real estate leaders** across:

- Acquisitions
- Development
- Asset management
- Investment sales
- Market research
- Deal financing
- Marketing & media

Live Deal Competition

Live Deal Competition brings the course together with student teams preparing and presenting live deal investment memos to leading real estate executives.

The winning student team earn Scholarships, local bragging rights and our Championship Belt.

Key Party Responsibilities

Students complete 20+ hours of training through Project Destined's E-learning platform and live training led by HS Faculty and Executive Speakers leveraging the Project Destined Course Curriculum

Project Destined

Proprietary E-learning platform provides critical language and the foundation to maximize the live courses.

Teacher Training: Provide teacher's the appropriate training to teach the course to students

Structured Live Courses Curriculum: Prepared lesson plans for teachers

Corporate Sponsors: Attract corporate sponsors to fund the program

High Schools

Recruitment: Recruit teachers to coach teams and students to participate in program

Teacher Training: Teacher's receive a ***stipend for 10 hours*** of training + teaching the live course

Live Courses: Teachers are responsible for delivering lesson planes via the Live Courses and **receive a stipend for their time**

Schedule Flexibility: Courses can be delivered during the school day or as an extracurricular activity

Real Estate Companies

Guest Speakers: Local real estate leaders teach actual project-based examples to students, highlighting various components of the real estate process

Mentors: Source of local mentors to guide students

Sponsorship & Scholarships: Contribute financial resources to support the mission

Internships: Potential to hire diverse high school and college students pursuing careers in Real Estate

Local Universities

Host Final Competition: Local University partner to host the competition and supply the program with mentors and guest speakers

Leverage Alumni to be Corporate Sponsors: Universities tap local alumni to partner with the program to supply funding and local real estate experts

Recruitment: Access to top tier diverse talent interested in entrepreneurship and real estate

Sample Curriculum Overview

Partnership with Comp Sci High School delivered course to 120 students

Course can be delivered during the school day or as an extracurricular activity

Train

Students will complete 20+ hours of e-learning and live training (led by Faculty) featuring the Project Destined Course Curriculum

Executive Speaker Series

Course will include a Real Estate Executive Speaker Series exploring topics ranging from deal evaluation to market research to deal financing

Competition

The Course will conclude with a “Shark Tank” style competition featuring a live transaction in their community and the opportunity to win scholarships

Sample Course Descriptions

Students are exposed to eight courses covering key real estate investing topics

Deal Sourcing

Live Course: Deal sourcing is the process of identifying real estate investment opportunities. The course includes a deal canvassing session (or walking tour) with experienced investment sales professionals exploring the process and tools used when identifying acquisition and development opportunities.

Executive Speaker Series: Deal Sourcing Fundamentals. Potential guest include Zach Redding (Director, B6 Investment Sales) and Lauren Calandriello (JRT Realty)

Real Estate Acquisition, Process & Players

Live Course: Real Estate Acquisition is the process of acquiring an asset. This lecture covers the key resources and steps required to acquire and develop an asset and the key players critical to the success of an acquisition. The lecture will also provide training on calculating key revenue, expense and profitability metrics.

Executive Speaker Series: The Art of Dealmaking. Potential guest include Bo Okoroji (Head of US Investments, Unibail-Rodamco-Westfield) and Ben Brown (Managing Partner, Brookfield Properties)

Real Estate Valuation

Live Course: Real Estate Valuation is both art and science. This session and case study will examine the three primary methods of valuing a property, the Cost Approach, Sales Comp Approach and Income Approach.

Executive Speaker Series: Art and Science of Valuation. Potential guest include Paul J. Massey, Jr (CEO, B6 Investment Sales), and Kevin Faxon (Head of Real Estate America's, J.P. Morgan)

Real Estate Financing

Live Course: Real Estate Financing covers the process of obtaining the financial resources to acquire and/or develop a real estate asset. This lecture and team-based case study looks at the financing of core, value-add and opportunistic deals.

Executive Speaker Series: Raising Capital to Close The Deal. Potential guest include Willy Walker (CEO, Walker & Dunlop) and Jaap Tonckens (CFO, Unibail-Rodamco-Westfield)

Sample Course Description Cont.

Gain knowledge and access through experiential training, live deal competitions & collaboration with practitioners

Market Research

Live Course: This session will cover the process of collecting and analyzing data to inform investment decision process. This lecture examines key market drivers (and metrics), primary sources of information, and the process of making a "go" or "no go" investment decision.

Executive Speaker Series: Evaluating What Matters and Why? Potential guest include Spencer Levy (Chairman Americas Research & Senior Economic Advisor at CBRE) and Jamar Adams (Development Associate, Related)

Building & Construction

Live Course: This lecture examines building and construction management from the investor or developer's perspective; highlights key roles and skills of a general contractor, reviews the construction and budgeting process and outlines key criteria for selecting a general contractor whether looking at new construction or a value-add addition to a property.

Executive Speaker Series: *Building & Construction 101***.** Potential guest include Frank Sciame (CEO, Sciame Construction)

Property Management

Live Course: This lecture reviews the fundamentals of operations and property management inclusive of both key personnel, responsibilities and approaches to managing assets, whether in house or through third party managers. Additionally, key metrics and tools to measure annual and long-term asset performance.

Executive Speaker Series: *Managing Your Asset.* Potential guest include Robert. Glenn (Asset Manager, Unibail-Rodamco-Westfield)

Presentation Training

Live Course: This session will combine traditional presentation training and storytelling and explore perceptions created through communication while building and deepening knowledge of presentation skills to enhance executive presence and deal making.

Executive Speaker Series: *Telling "Your" Story***.** Potential guest include Diana Olick (Emmy Award Winning Real Estate Correspondent, CNBC) and Rose Venditto (President of Beyond Words Consulting; Advisor to Brookfield, CBRE and JLL)

Sample Deal & Student Presentation

Sample Deal

PROJECT EWING

3052 3RD AVE | BRONX, NY 10451

9-Unit Property

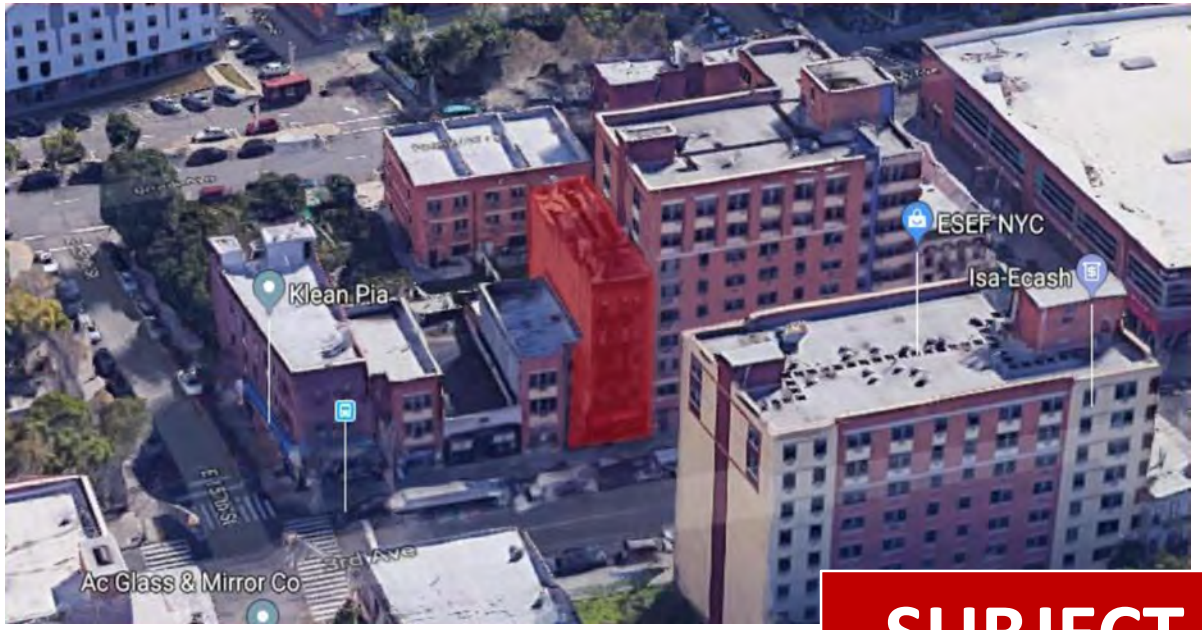
LIST PRICE: $3,250,000

KELLERWILLIAMS

PROJECT EWING

Address		3052 3rd Avenue
		Bronx, NY 10451
Submarket		Melrose
Asset Type		Mixed-Use (Residential & Retail)
Purchase Price	$	3,325,000
Cap Rate		6.99%
Units		9
Rentable SF		6,353
Avg. Monthly Rent / Residential Unit	$	1,959
Physical Vacancy Rate		100%

The building is approximately 6,350 square feet, and contains 9 total units; eight 2-bedroom apartments, one ground floor commercial space, and a cell tower. The property benefits from the fully FREE MARKET status of all of the units, and it will be delivered vacant at closing. The building can be occupied by market rate tenants, Section 8 tenants, or would be ideal for a triple net tenant such as transitional housing facility, homeless shelter, adult care, or any one of a host of other New York City backed programs. Located in the Melrose neighborhood of the Bronx, the property falls within one of the new federally approved opportunity zones, providing future ownership with the rare opportunity to acquire a property that allows for significant tax benefits.



SUBJECT PROPERTY
3052 3rd Ave

FINANCIAL INFORMATION | DEBT FINANCING & INCOME STATEMENT

Financing Proposal	(based on bank guidance)
Loan Type	Fixed Rate (Interest Only)
Principal	($X)
Interest Rate	3.75%
Loan-to-Value Ratio	70%

Annual Income Statement	
Revenue	
Gross Rent	$248,064
(Less Vacancy Allowance)	($X)
Net Rent	($X)
Other Income	$48,000
Total Revenue	($X)
Expenses	
Utilities	$ 26,850
Management Fee (3.58% of Total Revenue)	($X)
Maintenance	$ 10,400
Insurance	$ 5,800
Taxes	$ 11,868
Total Expenses	

Net Operating Income	($X)
Operating Expense Ratio	($X)
Cap Rate	6.99%

RENT ROLL | POTENTIAL VALUE-ADD

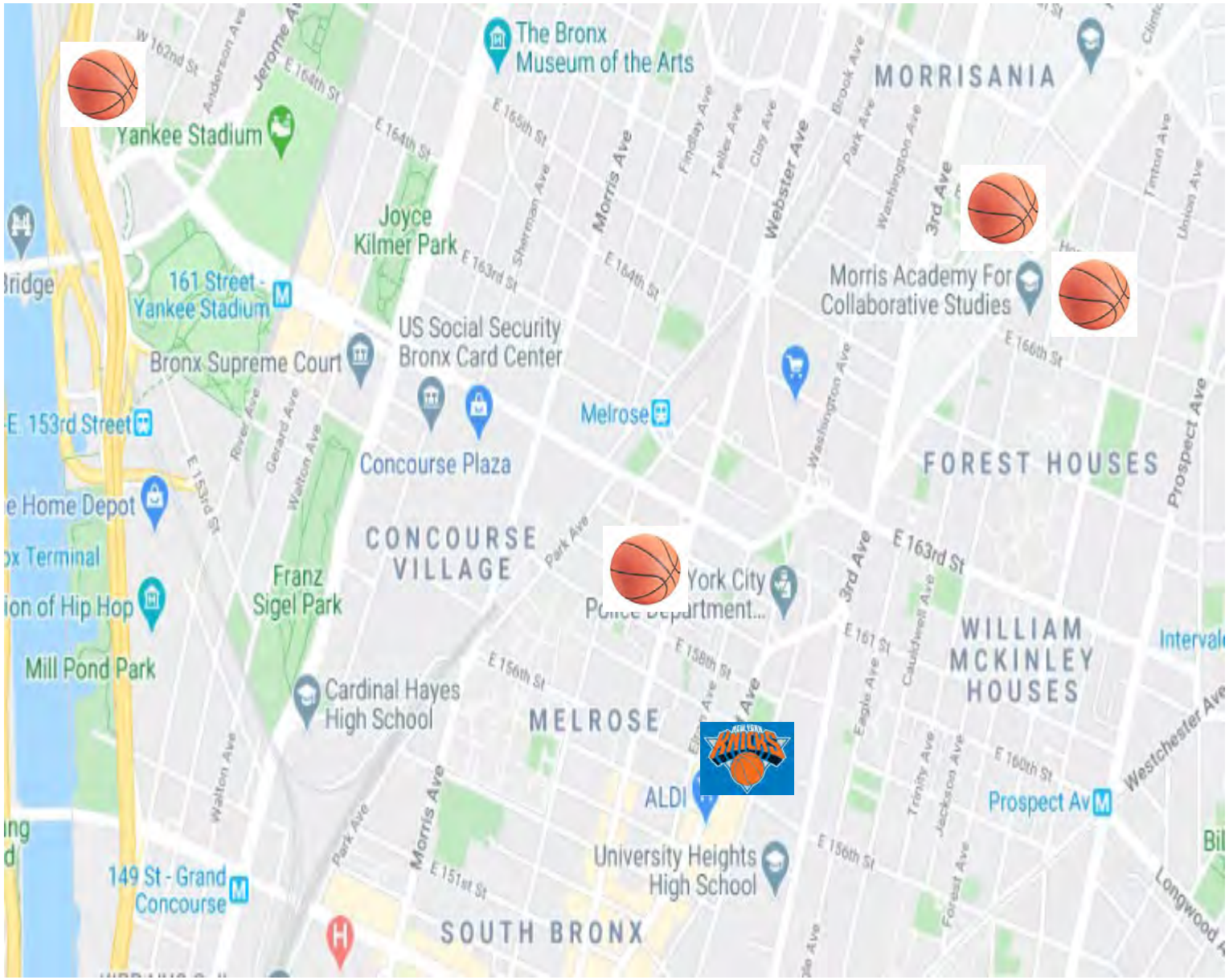
November 2019 Rent Roll

Unit Type	# of Units	Estimated Monthly Rent	Unit SF	Occupancy Status
2-Bedroom	1	$1,959	628	Vacant
2-Bedroom	1	$1,959	628	Vacant
2-Bedroom	1	$1,959	628	Vacant
2-Bedroom	1	$1,959	628	Vacant
2-Bedroom	1	$1,959	628	Vacant
2-Bedroom	1	$1,959	628	Vacant
2-Bedroom	1	$1,959	628	Vacant
2-Bedroom	1	$1,959	628	Vacant
Commercial	1	$5,000	1,333	Vacant

VALUE ADD OPPORTUNITY

All units were gut-renovated by the previous owner. Currently, the property is completely vacant. The value of the property can be maximized by leasing up the vacant units at market rent.

COMPARABLE PROPERTIES MAP| SALES & RENTAL



Sales & Rental Comps Map Key	
Type	Icon
Project Ewing	
Comparable Properties	

COMPARABLE PROPERTIES| SALES & RENTAL

Sales Comps (Residential)

Property Name	Units	Sales Price	Rentable SF	Price/SF	Cap Rate	Sale Date
583 167th St	5	$ 1,195,000	4,080	$ 292.89	6.35%	11/27/2019
371 159th St	3	$ 703,000	2,160	$ 325.46	3.75%	2/3/2020
1129-1131 Forest Ave	6	$ 1,600,000	6,118	$ 261.52	8.02%	1/27/2020
163 W 161st Ave	4	$ 950,000	3,930	$ 241.73	4.00%	1/31/2020
Average	5	$ 1,300,000	4,332	($X)	(X%)	

Rental Comps (Residential)

Property Name	Unit Type	Rent	Square Feet	Rent/SF	Distance From Target
583 167th St	2Br/1Ba	$ 1,711	978	$ 1.75	0.8 Mile
371 159th St	2Br/1Ba	$ 1,414	700	$ 2.02	0.3 Mile
1129-1131 Forest Ave	2Br/1Ba	$ 2,103	1,020	$ 2.06	0.8 Mile
163 W 161st Ave	2Br/1Ba	$ 1,815	997	$ 1.82	1.5 Mile
Average		($X)	918	$ 2.02	0.85 Mile

PROJECT DESTINED COMPETITION

Below are the concepts you should know for the exercises and competitions.

Key Concepts to Understand	Definition/Formula
2-4-10 Profit Model	Buy for $2, Build for $4, Sell for $10
Types of Acquisitions	Core, Value Add, Opportunistic
Gross Rental Revenue	Maximum rent if building is 100% leased
Vacancy Rate (%)	= Unoccupied Units / Total Available Units
Net Rental Revenue	= Gross Rental Revenue * (1 – Vacancy Rate)
Sales Comp Approach	Value = Comparable PPSF * Target SF
Income Approach	Value = NOI / Cap Rate
Loan-to-Value Ratio (%)	= Loan Principal / Purchase Price
Loan-to-Cost Ratio (%)	= Loan Principal / Cost of Acquisition
Net Operating Income	= Revenue – Expenses
Annual Interest Expense	= Annual Interest Rate * Loan Principal
Market Rent	The average rent for a market or submarket
Key Players in Real Estate Development & Acquisition	Study modules
Key Processes in Real Estate Development & Acquisition	Study modules

*PPSF = Price Per Square Foot

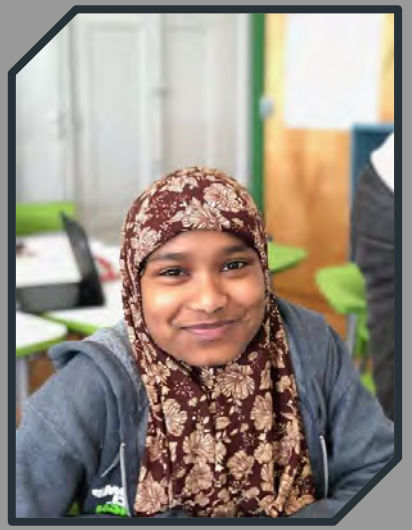
Sample Student Presentation

BROOKFIELD

REAL ESTATE

Brookfield Partners

Leila Congo, Jeremiah Rosado, Raul Manana, Tonima Oni



- Leila Congo : Developer
- Raul Manana : Banker
- Jeremiah Rosado : Broker
- Tonima Oni : Contractor
- Cedric Bobo : Co- Founder of Project Destined.

Our Team

“Real estate cannot be lost or stolen, nor can it be carried away. Purchased with common sense, paid for in full and managed with reasonable care, it is about the safest investment in the world.”

— Franklin D. Roosevelt

Executive Summary

Subject Property: 9 Unit Multi-Family

Listing Price: $3,250,000

Value-Add Plan: Garden, Cell Tower, Potential Commercial Store

Projected NOI: $320,613

MARKET OVERVIEW

Property Address: *3052 3rd Ave, The Bronx, NY 10451*

Vacancy Rate in the Bronx: *2.71%*

Cap Rate: 6.99%

Population: *1.432 Million*

Population Growth: *6.21%*

Income Growth: *2.86% increase*

What's Around?

156th St Associates
Greater Eternal Baptist Church
E 156th St
E 157th St
Brook Ave
3rd Ave
Elton Ave
Our Lady of the Angels Friary
Subway Restaurants
Holland Textiles
Domino's Pizza
parking lot/garage
Forman Mills
Bronx County Sheriff's Office
Hegney Pl

Property Overview

3052 3rd Ave, The Bronx, NY 10451

Market:	Bronx
Rentable SF:	6,353 sq. feet
Listing Price:	$3,250,000
Current Vacancy: **Post-Acquisition Vacancy:**	100% --- 2.71%
Total Units:	9 Units: • 8 two-bedroom apartments • 1 ground floor commercial space
Amenities	Bar Bookstore Bakery 1 5G Cell Tower from AT&T

Catch Attention!

How will we catch the communities attention?

- Most of the Bronx uses public transportation, Most of New York uses public transportation
- We are going to use flyers on public transportation especially the bus right next to the building.

Unit Type:	Rent:	# Units:9	Occupancy
2 Bedroom	$1,550	1	Vacant
2 Bedroom	$1,550	1	Vacant
2 Bedroom	$1,550	1	Vacant
2 Bedroom	$1,550	1	Vacant
2 Bedroom	$1,550	1	Vacant
2 Bedroom	$1,550	1	Vacant
2 Bedroom	$1,550	1	Vacant
2 Bedroom	$1,550	1	Vacant
Commercial	$4,000	1	Vacant

Pre Value Add

Unit Type:	Rent:	# Units:9	Occupancy
2 Bedroom	$1,600	1	Occupied
2 Bedroom	$1,600	1	Occupied
2 Bedroom	$1,600	1	Occupied
2 Bedroom	$1,600	1	Occupied
2 Bedroom	$1,600	1	Occupied
2 Bedroom	$1,600	1	Occupied
2 Bedroom	$1,600	1	Occupied
2 Bedroom	$1,600	1	Occupied
Commercial	$4,000	1	Occupied

Post Value Add

Partner With Local Business

The Lit Bar

The Lit Bar is one of the great establiments in our first floor area it is a Bookstore/Bar where adults can relax and take a load of from work opens from 12-10 pm. This establishment is includes some of the finest books written by black and brown authors for EVERYONE!

Valencia Bakery

Valencia Bakery is going to be in our commercial area sharing space with The Lit Bar and the business has a 4.7 rating on google.

Income Statement (Pre Value Add)

Monthly Mortgage?

Although we have to pay insurance, it won't bring our profits down much.

Revenue:
Gross Rent: $240,000
Less Vacancy: ($1,550)
Net Rent: $238,450 **Other Income: $48,000**
***TOTAL REVENUE:* $286,450**
Expenses:
Utilities: $6,785
Management Fee: $700
Taxes: $11,737
NOI (Net Operating Income): $267,228

Other Sources of Income

AT&T will pay for the installation of a 5G cell tower on our property to approximately **$46,000**, and when added to the gross income, we get our true NOI.

Amenities

Garden on Roof	1. Structural Reinforcement 2. Seeds 3. Hose 4. Soil 5. Gardening tools	Seeds:$35.95 Hose: $10.92 Soil: $12-$18 a cubic yard Tools: $24.95 Tool set on Home Depot. ~$1,000 for Structural support and waterproofing

Amenities

Cell Tower	1. Installation	Installation will be covered by AT&T

Income Statement

(Post Value Add)

Monthly Mortgage?

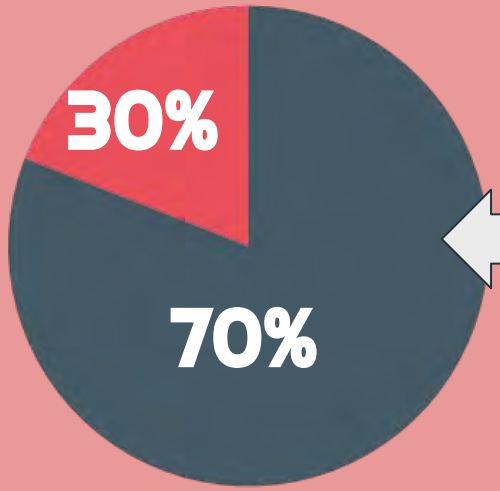
Although we have to pay insurance, it won't bring our profits down much.

Revenue:
Gross Rent: $249,600
Less Vacancy: ($1,600)
Net Rent: $248,000 **Other Income: $94,000**
***TOTAL REVENUE:* $342,000**
Expenses:
Utilities: $8,650
Management Fee: $1000
Taxes: $11,737
NOI (Net Operating Income): $320,613

Deal Financing

Loan from Bank

Equity



Loan To Value Ratio

70% Loaned
$2,170,000

30% Equity
$930,000

Valuation Summary:

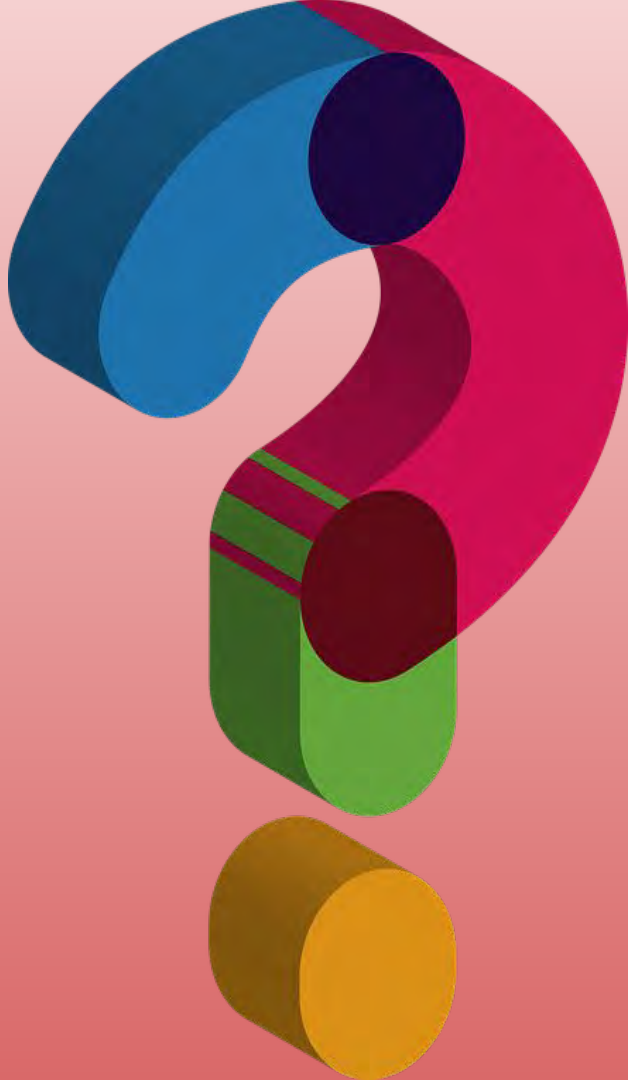
Listing Price:	Income Approach Value:	Sales Comp Approach Value:
$ 3,250,000	$3,902,188	$1,913,450

Risks and Mitigants

Risks	Mitigants
• Vacancy • Crime Rate • Adding Another Cell Tower	• Market vacancy is low • Located in a secure area • 5G cell towers are the future

Comps Summary :

Other properties near the current property we are working on cost around 2 Million to 2.5 Million with units of 9 and a very similar SF of around 6,000 but SF per apartment is higher than ours, why do we pay 3,250,000 Million? I intend to put the cost of the property to 3.1 Million because of the average cost of the area and that it what it was sold for in reality.



Term Sheet

Borrower:	Chase
Property Address:	3052 3rd Avenue, 10451, Bronx, NY
Loan Amount:	$2,170,000
Loan-To-Value Ratio:	70%
Loan Type:	Fixed Rate, Interest-only
Interest Rate:	3.75%
Term:	15 Years (Balloon Payment at Year 15)

Thank You