



Executive Summary

The Dane (Formerly Penn Wynn)



Investment Overview

Total Capitalization:	\$62,637,000
Equity Requirement:	\$14,255,000
Historic Tax Credit:	\$8,382,000
Leverage:	\$40,000,000 (64% LTC)
Projected Returns:	
<u>Total Return (IRR):</u>	17.4%
<u>Equity Multiple:</u>	2.59x

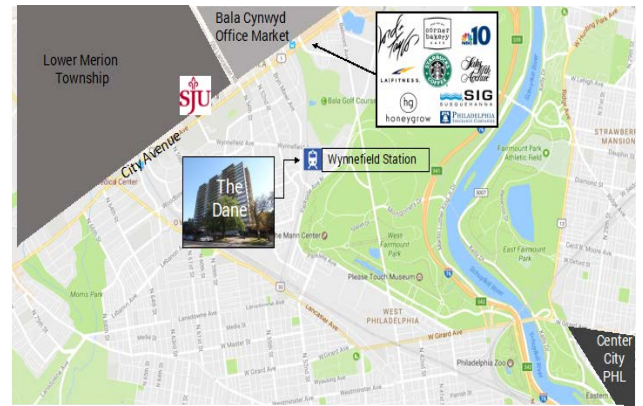
(all estimates are subject to change)

Asset Description:

231-unit high-rise located directly adjacent to the Wynnefield train stop, providing access to Center City in less than 10 minutes.

Investment Highlights

- ❖ **Prominent Location:** Close proximity and easy access to Center City Philadelphia. The Property sits just 2.5 miles from the Bala Cynwyd office market offering nearly 3mm SF of office space and attracts some of the largest employers in the Philadelphia MSA.
- ❖ **Fully Amenitized:** Amenities will include a gym, dog park, social lounge, saltwater pool, and a penthouse clubhouse and deck with uninterrupted views of the Center City skyline.
- ❖ **Value-Add Opportunity:** The units were dated and in poor condition with rents significantly below market. Cross is renovating and repositioning the property, creating new units with full amenities that will generate at or above market rents.



Project Overview

- ❖ **Acquisition:** Cross acquired the Penn Wynn House in November 2016 for \$16.35M (\$71k/unit).
- ❖ **Renovation Plan:** All 231 units have been fully gutted and will be completely renovated, including new windows, bathrooms, and kitchens. The common space will be renovated to add amenities and create a sense of community. The new units and amenities are designed to attract young professionals working in Bala Cynwyd and Center City.
- ❖ **Historic Property:** Originally built in the 1960s, Cross had the Property listed on the National Registry of Historic Places. Doing so generates historic tax credits, which Cross sold to Chase Bank. This acts as a dollar-for-dollar reduction in the cost of the project.
- ❖ **Development:** Construction began in July 2017 with façade work and interior demolition. By Q1 2019, the Property will be fully transformed and rebranded as, "The Dane."
- ❖ **Lease-up:** Cross anticipates that the project will reach stabilization and a capital event will occur by Q2 2020.



Sponsor – Cross Properties

Cross' executive team currently owns and operates multiple luxury residential projects and over the past seven years has developed over 1,000 units, including two of the premier properties on the Main Line. Our management team has successful experience with lease-up and operations in and around Philadelphia.

**This Executive Summary is meant to be read in conjunction with the Private Placement Memorandum (PPM) as well as the LP Agreement, both available upon request. Any forecast of yields and/or forward-looking projections are provided for illustrative purposes only. Actual results may vary substantially.*