



***THE PREMIER
REAL ESTATE BROKERAGE***

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INVESTOR ALERT!

*Located In Philadelphia's
"OPPORTUNITY ZONE"*

3535 & 3537 N 16th Street

**NEWLY
CONSTRUCTED**

FULLY LEASED



6 UNITS • 2 BEDROOMS / 2 BATHS

Offered at... \$1,199,000

www.PrestigeGroup.com

3535 & 3537 N 16th Street

Prestige Group Is Proud To Present This Offering Of 3535 & 3537 North 16th Street, Philadelphia, PA 19140

This is an ideal opportunity to acquire a property in the hottest up and coming neighborhood in the City of Philadelphia, now part of the “**OPPORTUNITY ZONE**”, providing tax benefits to investors. Located in the Tioga section, blocks away from the Temple Medical School and home to more than 5,500 employees and 40,000+ Temple students between both campuses, this area is on the rise and easily accessible from anywhere in the city.

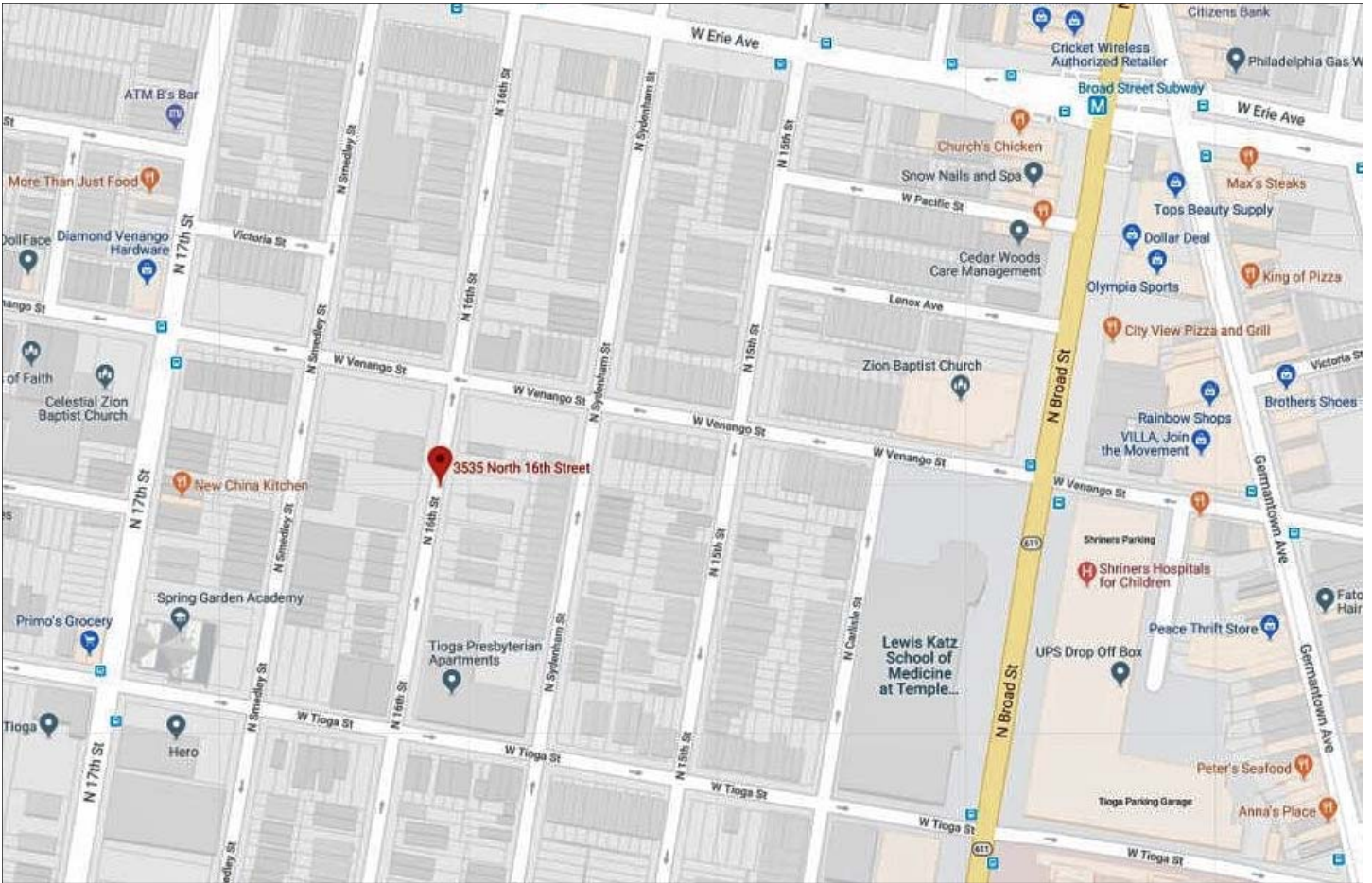
To the East is The Broad & Erie Station, the third busiest station on the Broad Street Line and 13th busiest transit stop in the SEPTA system with about 7,000 average weekday boardings. To the West is the former industrial district known as Hunting Park West. North of the project is 25th and Westmoreland, the first major investment in the area, completed by the Canyon-Agassi Charter School with a \$40 million dollar price tag for the new elementary school. Cristo Rey Charter School, a \$40 million-7 acre campus, is scheduled to open in Fall of 2019. Another major redevelopment underway in the neighborhood is the Beury building, which sits at the intersection of Broad and Erie. The building, which has been vacant for the past 40 years, stands 14 stories and spans 112,000 sf and is currently under construction. The building is expected to be open in summer of 2019 and will feature 80 new apartments along with 14,500+/- sf of retail.

Do Not Miss Your Opportunity to be a Part of the Next Fairmount, Brewerytown, or Point Breeze Revitalization

PROPERTY DETAILS:

- Located at 3535 & 3537 North 16th Street
- Total of 6 Units: All 2 Bed, 2 Bath
- First Floor Units have a full basement for possible additional bedrooms and bathroom
- Brand New Units
- Fully Leased
- Tenants Pay Electric and Heat
- Granite Countertops
- Stainless Steel Appliances
- Washer/Dryer in Each Unit
- Blocks from Septa Broad/Erie Line Hub
- Close to Temple University Medical School and Main Campus

3535 & 3537 N 16th Street



This information is believed accurate though subject to errors, omissions and changes without notice

3535 & 3537 N 16th Street

	# Units	Rents
2 Bedroom / 2 Bath	2	\$ 1,400
2 Bedroom / 2 Bath	4	\$ 1,300
Other		
Totals	6	\$ 96,000

ANNUAL RENTAL INCOME (combined)

Gross Rents	\$ 96,000
Laundry	
TOTAL	\$ 96,000
Less Vacancy @ 5% (of Total)	\$ 4,800
Effective Gross Income	\$ 91,200

ANNUAL OPERATING EXPENSES (combined)

Real Estate Taxes - 2018	\$ 1,328
Building Insurance	\$ 2,200
Water/Sewer	\$ 3,720
Gas	—
Electric	\$ 720
Landscaping / Snow Removal	—
Trash Removal	\$ 600
Repairs / Maintenance	—
Extermination	—
Licences & Permits	\$ 330
Fire Protection	\$ 840
Total Expenses	\$ 9,738

Net Operating Income (NOI)	\$ 81,462
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3535 & 3537 N 16th Street



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Opportunity Zones

What Are Opportunity Zones?*

Opportunity Zones are a community development program established by the Tax Cuts and Jobs Act to encourage long term investment in low income areas throughout the United States. Each Governor has now designated a certain number of its State's poorest areas to receive special tax treatment based on the most recent Census data. By investing in these Opportunity Zones through Qualified Opportunity Funds, taxpayers can receive the following benefits:

1. If the tax payer redeploys capital gains from a prior investment into an Opportunity Zone, the tax on such capital gain will be deferred until the earlier of (a) the sale of the new asset or (b) December 31, 2026. Note that the gain can be derived from, and re-invested in, any tangible asset or business and, unlike with a 1031 tax free exchange, only the gain must be reinvested in the new asset as opposed to all of the original sale proceeds.
2. If the new investment in the Opportunity Zone is held for at least five years, the tax payer will receive a 10% discount on the capital gains tax. If the new investment is held for at least seven years, it will receive a 15% discount on such capital gains tax. Because the gain cannot be deferred beyond December 31, 2026, the money must be invested no later than December 31, 2021 to receive the 10 percent discount and by December 31, 2019 to receive the 15 percent discount.
3. In addition to deferring and potentially discounting the capital gains tax from the original investment, if the tax payer holds the new investment in the Opportunity Zone for at least 10 years, it will pay NO TAXES on the ultimate sale of the new investment.

Let's look at an example to illustrate how the tax benefits work. Assume that in December 2018 Mary Smith sells a valuable piece of artwork for \$5 million and realizes a \$1 million gain. On January 1, 2019, Mary (through a Qualified Fund) invests her \$1 million gain in a business located within an Opportunity Zone and the Opportunity Fund then sells that business on Jan. 1, 2030 for \$3 million. The sale of the business generates a \$2 million gain for Mary. What are her tax obligations?

Under the Tax Cuts and Jobs Act, Mary gets to defer the payment of her capital gains taxes on the artwork until Dec. 31, 2026, at such time, Mary will pay taxes on only \$850,000 of her gain from the sale of the original artwork (i.e., a 15% discount off of the \$1 million gain) because, when the tax became due on Dec. 31, 2026, she had held her new investment in the business located within the Opportunity Zone for seven years and Mary will owe no taxes on the sale of the business because she held that investment for more than 10 years.

** From the Philadelphia Business Journal*



Opportunity Zones Frequently Asked Questions

Q. What is an Opportunity Zone?

A. An Opportunity Zone is an economically-distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. Localities qualify as Opportunity Zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation of authority to the Internal Revenue Service.

Q. How were Opportunity Zones created?

A. Opportunity Zones were added to the tax code by the Tax Cuts and Jobs Act on December 22, 2017.

Q. Have Opportunity Zones been around a long time?

A. No, they are new. The first set of Opportunity Zones, covering parts of 18 states, were designated on April 9, 2018. Opportunity Zones have now been designated covering parts of all 50 states, the District of Columbia and five U.S. territories.

Q. What is the purpose of Opportunity Zones?

A. Opportunity Zones are an economic development tool—that is, they are designed to spur economic development and job creation in distressed communities.

Q. How do Opportunity Zones spur economic development?

A. Opportunity Zones are designed to spur economic development by providing tax benefits to investors. First, investors can defer tax on any prior gains invested in a Qualified Opportunity Fund (QOF) until the earlier of the date on which the investment in a QOF is sold or exchanged, or December 31, 2026. If the QOF investment is held for longer than 5 years, there is a 10% exclusion of the deferred gain. If held for more than 7 years, the 10% becomes 15%. Second, if the investor holds the investment in the Opportunity Fund for at least ten years, the investor is eligible for an increase in basis of the QOF investment equal to its fair market value on the date that the QOF investment is sold or exchanged.

Q. What is a Qualified Opportunity Fund?

A. A Qualified Opportunity Fund is an investment vehicle that is set up as either a partnership or corporation for investing in eligible property that is located in a Qualified Opportunity Zone.

Q. Do I need to live in an Opportunity Zone to take advantage of the tax benefits?

A. No. You can get the tax benefits, even if you don't live, work or have a business in an Opportunity Zone. All you need to do is invest a recognized gain in a Qualified Opportunity Fund and elect to defer the tax on that gain.

Q. I am interested in knowing where the Opportunity Zones are located. Is there a list of Opportunity Zones available?

A. Yes. The list of designated Qualified Opportunity Zones can be found at [Opportunity Zones Resources](#) and in the Federal Register at [IRB Notice 2018-48](#). Further a visual map of the census tracts designated as Qualified Opportunity Zones may also be found at Opportunity Zones Resources [\[link\]](#).

Q: What do the numbers mean on the Qualified Opportunity Zones list, Notice 2018-48?

A: The numbers are the population census tracts designated as Qualified Opportunity Zones.

Q: How can I find the census tract number for a specific address?

A: You can find 11-digit census tract numbers, also known as GEOIDs, using the U.S. Census Bureau's Geocoder. After entering the street address, select ACS2015_Current in the Vintage drop-down menu and click Find. In the Census Tracts section, you'll find the number after GEOID.

Q. I am interested in forming a Qualified Opportunity Fund. Is there a list of Opportunity Zones available in which the Fund can invest?

A. Yes. The list of designated Qualified Opportunity Zones in which a Fund may invest to meet its investment requirements can be found at [Notice 2018-48](#).

Q. How does a corporation or partnership become certified as a Qualified Opportunity Fund?

A. To become a Qualified Opportunity Fund, an eligible corporation or partnership self-certifies by filing Form 8996, Qualified Opportunity Fund, with its federal income tax return. Early-release drafts of the [form](#) and [instructions](#) are posted, with final versions expected in December. The return with Form 8996 must be filed timely, taking extensions into account.

Q: Can a limited liability company (LLC) be an Opportunity Fund?

A: Yes. A LLC that chooses to be treated either as a partnership or corporation for federal tax purposes can organize as a Qualified Opportunity Fund.

Q. I sold some stock for a gain in 2018, and, during the 180-day period beginning on the date of the sale, I invested the amount of the gain in a Qualified Opportunity Fund. Can I defer paying tax on that gain?

A. Yes, you may elect to defer the tax on the amount of the gain invested in a Qualified Opportunity Fund. Therefore, if you only invest part of your gain in a Qualified Opportunity Fund(s), you can elect to defer tax on only the part of the gain which was invested.

Q. How do I elect to defer my gain on the 2018 sale of the stock?

A. You may make an election to defer the gain, in whole or in part, when filing your 2018 Federal Income Tax return. That is, you may make the election on the return on which the tax on that gain would be due if you do not defer it.

Q. I sold some stock on December 15, 2017, and, during the required 180-day period, I invested the amount of the gain in a Qualified Opportunity Fund. Can I elect to defer tax on that gain?

A. Yes. You make the election on your 2017 return. Attach [Form 8949](#), reporting Information about the sale of your stock. Precise instructions on how to use that form to elect deferral of the gain will be forthcoming shortly.

Q. Can I still elect to defer tax on that gain if I have already filed my 2017 tax return?

A. Yes, but you will need to file an amended 2017 return, using [Form 1040X](#) and attaching [Form 8949](#).

Q. How can I get more information about Opportunity Zones?

A. Over the next few months, the Treasury Department and the Internal Revenue Service will be providing further details, including additional legal guidance, on this new tax benefit. More information will be available at [Treasury.gov](https://www.treasury.gov) and [IRS.gov](https://www.irs.gov).