

OPERATIONS BENCHMARKING MEMO

Four line items drive the gap between 141 Willoughby and The Axel.

Rose's Draft #1 for 141 Willoughby is built off a smaller asset (239 units vs Axel's 284) yet carries materially heavier payroll, gas, and water/sewer, a richer management fee structure, and no CAM recovery on \$9.57M of retail income. The four issues below frame the conversation we need to have with Rose before Draft #2.

01 — PAYROLL

+\$708K

Willoughby payroll (ex leasing) vs Axel

02 — UTILITIES

+\$322K

Gas + W/S vs Axel (adj. 239 units)

03 — MGMT FEE

+\$197K

Total mgmt fee spread vs Axel

04 — COMMERCIAL

\$0 CAM

No recovery on \$9.57M retail

§ 01 — PROPERTY SNAPSHOT

Two assets, normalized side by side

	The Axel (benchmark)	141 Willoughby (under review)
Total units	284	239
Market / Stabilized	198	179
Affordable	86	60
Residential RSF	174,460	165,620
Commercial SF	36,837	110,000
Mgmt / Leasing FTE	1.5	2.38
Prevailing Wage	Yes	Yes

Notes.

- All amounts include bonuses, benefits and taxes.
- Axel amounts are based on the 2026 Budget prepared by Rose.
- Willoughby budget does not have bonuses for the Porters — the amount should be \$1K per employee or ~\$5K total.
- Willoughby budget includes a Leasing Rep, RXO and Centralized Desk. All were removed from this analysis.

§ 02 — PAYROLL

Payroll — \$1,686,968 vs Axel budget \$978,675

Rose's Willoughby payroll (excluding leasing) is \$708,293 heavier than the Axel budget — on a smaller asset, with overlapping union classifications that should align line-by-line.

141W PAYROLL (EX LEASING)	AXEL BUDGET	VARIANCE
\$1,686,968	\$978,675	+\$708,293

Role-by-role wage comparison

Same role, different number — and Willoughby staffs **6 extra FTE** (1 Handyman, 1 Porter, 4 Concierge) that Axel does not carry at all. Per Ed's note: Porter, Handyman, and Concierge wages should match across both assets; Super and Resident Manager are allowed to differ. All amounts include bonuses, benefits and taxes.

Staffing gap — headline. Willoughby carries 5 Concierge, 5 Porter and 2 Handyman FTE; Axel carries 1 Concierge, 4 Porter and 1 Handyman. The 6 incremental seats (shown at \$0 on the Axel column below) represent **~\$651,000** of payroll that exists on 141W and does not exist on the comparable asset — the bulk of the \$708K payroll variance.

Role	141 Willoughby	The Axel	Δ	Status
Superintendent	\$199,521	\$184,091	+\$15,430	May differ
Handyman (1)	\$122,492	\$117,566	+\$4,926	Should align
Handyman (2)	\$122,492	\$0	+\$122,492	Not staffed at Axel
Porter (1)	\$113,836	\$0	+\$113,836	Not staffed at Axel
Porter (2)	\$102,409	\$99,681	+\$2,728	Should align
Porter (3)	\$102,409	\$99,681	+\$2,728	Should align
Porter (4)	\$113,779	\$110,621	+\$3,158	Should align
Porter (5)	\$102,360	\$99,681	+\$2,679	Should align
Concierge (1)	\$115,251	\$110,621	+\$4,630	Should align
Concierge (2)	\$103,611	\$0	+\$103,611	Not staffed at Axel
Concierge (3)	\$103,611	\$0	+\$103,611	Not staffed at Axel
Concierge (4)	\$103,611	\$0	+\$103,611	Not staffed at Axel
Concierge (5)	\$103,691	\$0	+\$103,691	Not staffed at Axel
Resident Manager	\$177,894	\$156,734	+\$21,160	May differ
Total (all roles, incl. multiples)	\$1,686,968	\$978,675	+\$708,293	

Reconciliation point. Either Rose mis-built the Willoughby budget, or mis-built the Axel budget — same labor market, same union classifications, identical roles should price identically. The Willoughby build also omits Porter bonuses (~\$1K/employee, ~\$5K total) which must be added. Reconcile before Draft #2.

§ 03 — UTILITIES

Utilities — Gas and Water/Sewer drive a \$322K variance

Rose's draft showed 227 units for 141 Willoughby — the correct count is 239. Below, Axel is also shown normalized to 239 units. Electric reads in line; Gas and W/S do not.

Category	141W Res	141W Comm	141W Total	Axel	Variance	Axel adj 239	Variance
Electric (gross)	\$285,360	\$100,000	\$385,360	\$534,263	+\$148,903	\$449,609	+\$64,249
Electric Reimbursement	(\$190,680)	(\$70,000)	(\$260,680)	(\$391,613)	(\$130,933)	(\$329,562)	(\$68,882)
Electric (net)	\$94,680	\$30,000	\$124,680	\$142,650	+\$17,970	\$120,047	(\$4,633)
Oil	\$5,000	—	\$5,000	—	(\$5,000)	—	(\$5,000)
Gas	\$210,000	\$50,000	\$260,000	\$92,604	(\$167,396)	\$77,931	(\$182,069)
Water & Sewer	\$167,400	\$25,000	\$192,400	\$73,482	(\$118,918)	\$61,839	(\$130,561)
Metering	\$15,057	\$3,000	\$18,057	\$22,096	+\$4,039	\$18,595	+\$538
Total	\$492,137	\$108,000	\$600,137	\$330,832	(\$269,305)	\$278,411	(\$321,726)

Insight. \$260K Gas and \$192K W/S on a 239-unit building looks like an escalation off a placeholder, not a billing-actuals build. Ask Rose for the ConEd / NYC DEP backup.

§ 04 — MANAGEMENT FEE

Richer than Axel on both sides

	141 Willoughby	The Axel
Residential	2.0% of residential revenue	1.5% of residential revenue
Commercial	\$125,000 flat (~1.3% of \$9.57M)	\$375/month — reporting only
Total budgeted	\$404,480	\$207,657

Insight. The 50 bps residential spread is contractual — confirm it. The bigger question is the commercial structure. A flat \$125K fee on largely passive retail leases is hard to justify against Axel's \$4.5K/year reporting fee. Push for percentage-of-collections with a floor, or align to Axel's model.

§ 05 — COMMERCIAL

\$9.57M income, \$0 CAM recovery

Retail income (booked)	Commercial SF	Blended rent	CAM / OpEx recovery
\$9,570,000	110,000	~\$87 / RSF	\$0

Standard NYC retail leases recover real estate taxes, insurance, CAM, and utilities. Rose's budget books gross rent only. Either the leases are truly gross (highly unusual at this scale — confirm via lease abstracts), or a recovery line is missing and Rose is understating commercial income.

§ 06 — ACTION

What we need from Rose before Draft #2

- 01 Payroll — reconcile Porter / Handyman / Concierge wages; should match across both assets
- 02 Payroll — add omitted Porter bonuses to Willoughby (~\$5K total)
- 03 Payroll — justification for 5 concierge FTE on a 239-unit asset
- 04 Payroll — role-by-role wage build with PW vs 32BJ classification
- 05 Utilities — ConEd and NYC DEP billing backup for Gas and W/S
- 06 Mgmt Fee — confirm 2% residential contract; rework commercial off the \$125K flat
- 07 Commercial — rent roll with SF, base rent, lease type, and recovery basis
- 08 Commercial — CAM reconciliation if already issued

Once the four items are addressed, the operating expense side of 141 Willoughby should tighten by an indicative **\$900K–\$1.2M**, and commercial income clarity will either confirm the \$9.57M or expand it via recoveries. Either outcome materially sharpens the underwriting.

This memorandum is prepared by Triumph for the sole and confidential use of ownership in connection with the 2026 operating budget review. Figures are indicative, not audited, and are subject to revision upon receipt of supporting rent rolls, historical actuals, payroll detail, and 2025 reforecast data.