

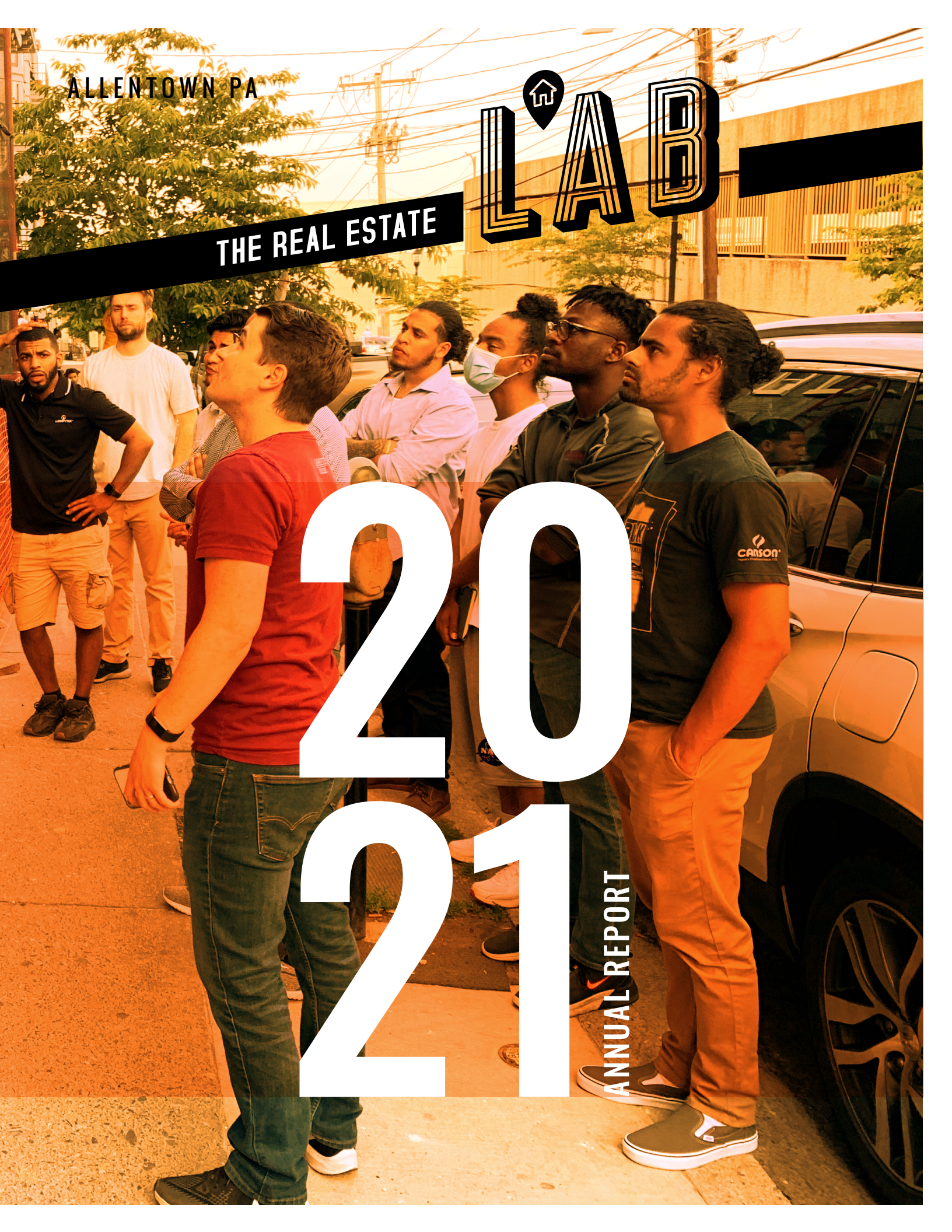
ALLENTOWN PA



THE REAL ESTATE

2021

ANNUAL REPORT



A LETTER FROM OUR CO-FOUNDER

Growing up in an impoverished community, learning about real estate was a life-changing experience for me. It taught me how to think like an investor, differentiate between an asset and liability, and leverage debt as a tool to lift my family up rather than weigh us down. It provided a pathway for me to invest in my community and influence its direction in a small but meaningful way.

When I started the Real Estate Lab with JB Reilly, the goal was to pay this opportunity forward. To provide others with the same “luck” I had in learning about this road to wealth and community impact. I believed then, and am more convinced now, that if we are going to close the racial wealth gap in this country and elevate some of our most vulnerable communities, we must provide those closest to the problem with the resources to change their condition.

Real Estate Lab participants are provided with the tools to become an investor: Knowledge, Networks, and Capital.

Our curriculum starts with a broad understanding of money, examines participants’ relationship with it, and demonstrates how their decisions influence its accumulation or depletion. We then pivot to real estate and teach them everything they need to know from acquisition, underwriting, and closing.

Along the way, we bring in industry professionals to share their stories and expertise so that our participants can expand their professional networks and begin to see themselves in the success stories of others.

Finally, we provide the capital to help those interested in investing in the city of Allentown get started.

In our first year, we have helped many participants improve their credit and start investing; however, we are most proud of their increased sense of self-agency and belief in their ability to take charge of their future.

I hope you enjoy reading about the Lab’s first year of operation, but more importantly, I hope you join our collaborative effort in providing a hand up to others interested in building wealth and improving their community.

YUSUF DAHL

Co-Founder, The Real Estate Lab & Director for Innovation and Entrepreneurship, Dyer Center at Lafayette College



“The Real Estate Lab is a remarkable program. One that’s focused on the sharing of knowledge and the implementation of it in a way that’s positively impacting the trajectory of individuals, families and communities.”

JONATHAN STRAUSS

Director, The Real Estate Lab &
Principal, Cortex Residential

**CREDIT SCORE
AVG INCREASE
61 POINTS**



**\$1,091,000
of Real Estate
Purchased**

\$607,967 of
Innovation Funds Utilized as
Temporary Bridge Financing at
0% INTEREST

**281
MENTORSHIP
HOURS**



The Real Estate Lab is a social enterprise driven by the belief that aligning self-interest with positive neighborhood outcomes is the most powerful form of community development.

**AVERAGE SAVINGS
INCREASE OVER
\$10,000**

per cohort over the course of the program

The Problem

Our Solution

Financial Literacy

In a recent Financial Literacy survey conducted by the TIAA Institute and GWU measuring key areas of personal finance including savings, investing, managing debt, and understanding risk only 28% of Black Americans were able to correctly answer over 50% of the questions compared to 62% of white Americans.

<https://gflec.org/initiatives/personal-finance-index/>

Through our comprehensive curriculum, we help participants evaluate their relationship with money and take control of their finances. On average, our participants have achieved an increase in credit scores, savings, and optimism about their futures.

Have vs Have Nots

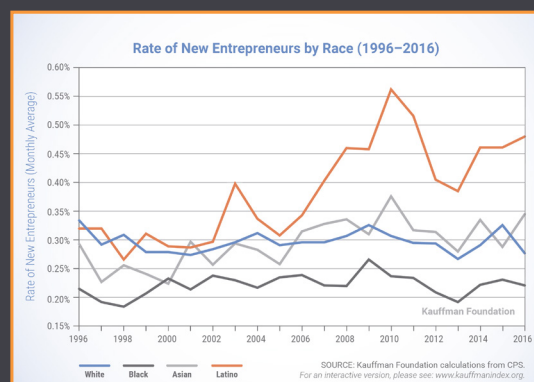
Despite over 20 trillion dollars of anti-poverty programs in the US, the black-white economic divide is as wide today as it was in 1968, with the average net worth of a white family being nearly 10x that of a black family.

<https://www.brookings.edu/blog/up-front/2020/02/27/examining-the-black-white-wealth-gap/>

The Real Estate Lab gives our participants a hand up in taking control of their future and building wealth. In our first year of operation, we have supported over one million dollars worth of participant real estate transactions.

Entrepreneurship Opportunity

Entrepreneurs of color are underrepresented and continue to face more significant barriers to entry than their white counterparts.



The Real Estate Lab has focused on recruiting and supporting entrepreneurs of color, with 89% of our participants identifying as non-white.

The Problem

Our Solution

Mentorship and Connections

The hardest part of playing the game is knowing the rules. Black and brown founders face unique barriers in accessing the knowledge, networks, and capital to start, grow and sustain a business.

The Real Estate Lab has provided over 300 hours of expert mentorship from successful entrepreneurs and business professionals across industries to help our participants see themselves in the success of others, build valuable industry connections, and feel connected to the broader business community.

Property Ownership

Homeownership disparities between black and white families in the US have widened over the past 30 years. The decline in black homeownership threatens to exacerbate racial inequality for decades to come as homeownership remains the principal way most families build wealth in this country.

<https://www.urban.org/policy-centers/housing-finance-policy-center/projects/reducing-racial-homeownership-gap>

The Real Estate Lab provides the knowledge, networks, and capital to empower our participants to pursue their goals. Through comprehensive mentorship and support, our participants have reported a greater sense of confidence in becoming a homeowner and taking control of their future.

Real Solutions.

THE REAL ESTATE



How the Real Estate Lab Creates Impact

Through diverse partnerships and significant capital investments, the Real Estate Lab has lowered the barriers to entrepreneurship for program participants.

Our Program

Knowledge

Through a hands-on 10-week curriculum, we offer participants an introduction to entrepreneurship through the lens of real estate investing. Starting with an inventory of their current means - who they are, what they know, and who they know - participants are encouraged to imagine possibilities and take action in starting their entrepreneurship journey.

Networks

The R/E Lab's impact is rooted in the strength and breadth of our professional mentors who support the program and our participants. Located in downtown Allentown, the Real Estate Lab is a hub for investors, policymakers, and other real estate professionals who share our passion for training and supporting the next generation of community entrepreneurs.

Capital

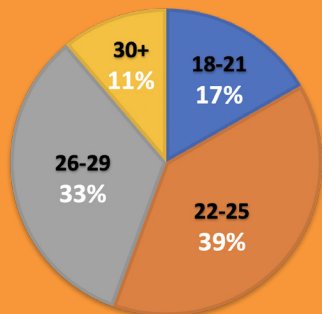
Through the generosity of our partners, a real estate investment fund is available to program participants who have completed the program for the acquisition and rehab of Allentown-area properties. Last year we deployed over \$600,000 in financing to support Lab participants.

It's more than Real Estate.

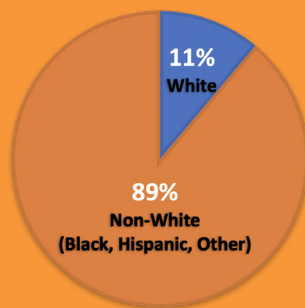
Our students gain real-world knowledge and the necessary tools to create opportunity.



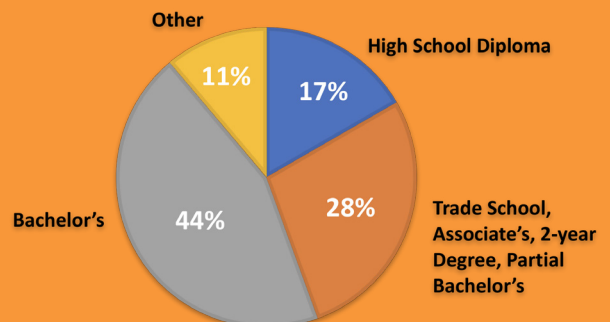
39% of our students were the first in their family to own a home.



Age



Ethnicity



Education

“Growing up I didn’t have the knowledge or money to get into real estate. The Real Estate Lab has provided me with the knowledge and connections to start building my real estate portfolio at an early age so I can build a legacy.”

- Abe Abbakar

A LEGACY

Hassan Batts, Executive Director of The Promise Neighborhoods of the Lehigh Valley, talking to students about community development.



IBRAHIM ABBAKAR

"I want to give thanks to the instructors for personally helping me grow and learn throughout the Lab by showing me how fix my credit and my money management skills.

One of the most impactful experiences that I had at the Real Estate Lab was the day I signed the papers to own my first property - making me a first generation home owner in my family.

My biggest take away from the Real Estate Lab is the importance of relationship building in this industry. I have grown over the duration of the Real Estate Lab course by owning my first rental properties and being able to upgrade my old 2002 Toyota Corolla to a 2010 Kia Optima plus move out of my family house. The Lab means so much to the community of Allentown because it's literally the bridge to wealth and empowerment.

I intend to give back to the Real Estate Lab through continued participation with future cohorts and projects and showing them that it's possible too."

"The Real Estate Lab has been a lifeline for me. This opportunity came during one of the hardest times in my life. It's given me purpose and a new perspective."



CARMEN LALAMA

"I've always been interested in real estate, but I never thought it would be possible for someone like me to become an investor. I wasn't born in this country, and even though my father is White, I never thought I could dream that big for myself. I have learned so much and I am so appreciative of this new opportunity. Some things have been easier than others, but everything is beneficial. I've never been a math person, so running the numbers has been the hardest part for

me. But you always have support, the instructors are always sharing podcasts or videos that can assist you with the topic that you are struggling with. They are also willing to meet with you one-on-one to go over that information.

I have grown personally in various areas during the duration of the course. I have always been good with saving money, but this course enhanced those skills. The instructors gave me the necessary tools to become more focused and shift the attention to things that would give me results. The Real Estate Lab means more opportunities for members of the community. They teach valuable information that you don't learn at school. They give you all the tools that you need to be successful if you want it.

The most impactful experience for me were the speakers. They share real life experiences and remind you that before they were successful, they were in our shoes. They also remind you that you can achieve just as much or more with the right dedication and hard work. Bringing speakers in gives us the opportunity to increase our network. We can speak with people that we wouldn't have the opportunity to speak with if it wasn't for this course. That is life changing.

I plan to give back and stay involved in any way that I can with The Real Estate Lab. I like learning and I think that I have much more to learn about this new adventure. I'm really happy that I was chosen to be a part of this cohort and I will forever be grateful for the new opportunities that I have. I look forward to starting my portfolio and learning much more along the way. Thank you for everything."



MAKSYM TURKOT

“Learning by doing and working with an incredible, dedicated team is what makes my experience at the Real Estate Lab so rewarding.”

Maksym is a student at Lafayette College, majoring in BS Computer Science and minoring in Economics. Maksym is a software developer for The Real Estate Lab. Our data-focused efforts led to the creation of a Customer Relationship Management (CRM) system to measure participant performance and program administration.

“Perhaps the most exciting experience I’ve had when working for the Lab was the feeling of responsibility. I was given a task to develop and maintain a brand-new web application that would make both students’ and instructors’ teaching experiences easier.

While working for the Real Estate Lab, I’ve grown immensely as a professional. I was working in a team of dedicated people, and I felt like I played an important role within the organization. When developing the Customer Relationship Management (CRM) system, I learned data modeling, UI/UX design, web development with a no-code tool called Bubble, testing, and web app maintenance. The Lab has also sponsored a Bubble developer bootcamp for me which helped me get up to speed.

The CRM I was working on is an incredibly helpful tool for the Lab participants. It allows the students to see all of the assignments and documents in one place, communicate with instructors, and see their progress. In turn, instructors have a straightforward tool for managing the course, tracking class attendance, posting and grading assignments, giving feedback to students, and more.

Overall, so far this was an excellent experience of working on a real-world project. I am thrilled I have a chance to contribute to the cause of the Real Estate Lab, and I’m grateful for all the skills I’ve acquired and connections I’ve made along the way.”



“I am very appreciative of the Real Estate Lab and feel that in a few years I will look back and realize this was a foundation to creating a life that I want to live.”

- Ken Williams



Team reviewing façade improvements and external lighting options and (below) a home signing with People First.



“Learning first-hand how to’s on fixing properties, getting deals, and networking with like minded individuals was the solid foundation I needed to kick start my real estate investing business.”

- Pedro Jose

TAKING CHARGE OF THEIR FUTURE

I bought my first property in downtown Allentown - a small house - more than 30 years ago. Today, through my development company City Center Investment Corp., my team and I are working diligently to help revitalize the entire downtown.

Because of my own exciting journey with real estate investment, I’m particularly passionate about City Center’s partnership with my alma mater Lafayette College to teach others to dream big and take charge of their future through The Real Estate Lab.

We launched The Real Estate Lab in 2020 to give local residents, including at-risk young adults, easy access to the resources and capital they need to invest in real estate and manage properties in downtown Allentown. Our first nine participants came from different walks of life but shared an entrepreneurial spirit and a desire to help their community. They included an immigrant from Sudan, a social-service professional, a sales representative, and others.

Members of The Lab’s inaugural class have completed the program and now own and manage their own properties. A second class is underway. As the program participants launch careers in real estate investment, not only will they have a new path for creating income, but they’ll also improve the quality, safety, and ownership rate of the housing in downtown Allentown, which benefits the entire community.



I’m grateful for the leadership of Yusuf Dahl, the Director of Lafayette College’s Dyer Center for Innovation and Entrepreneurship, and Jonathan Strauss, our Program Director at The Lab.

People First Federal Credit Union provided financing for The Lab’s first graduates to acquire properties, and numerous professionals have shared their wisdom with students as mentors and guest speakers. Community partnerships such as these strengthen our neighborhoods by helping lift those within them. It’s a thrill to see the self-confidence The Lab’s graduates have gained, and I can’t wait to see what they achieve.

J.B. Reilly

President & Co-founder
City Center Investment Corp.

THANK YOU TO OUR
DEDICATED PARTNERS WHO HELP
MAKE THIS POSSIBLE.

American Bank

AMP Realty, LLC

Cola Management, LLC

Cortex Residential, LLC

Daubert Shannon & Associates, LLC

Empire Property Management Group, LLC

Full Circle Realty & Property Management, LLC

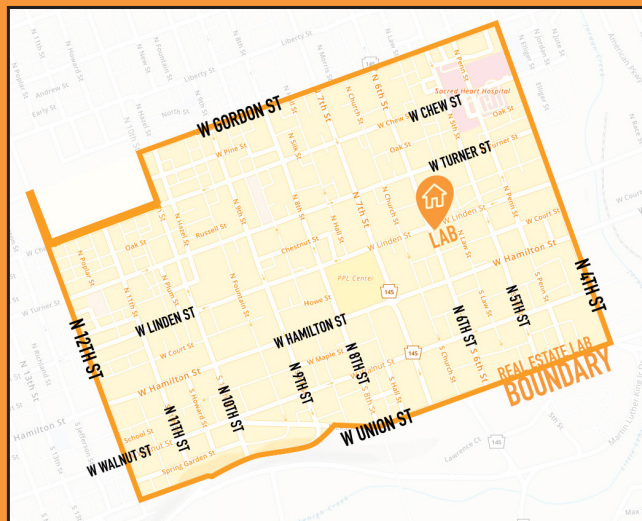
Juan E. Martinez

Mauch Chunk Trust Company

North Star Construction Management

People First Federal Credit Union

Post Road Management, LLC



The Real Estate Lab

45 N. 6th Street, Suite 100

Allentown, PA, 18101

RealEstateLabAllentown.com

COMMUNITY INNOVATION

The Real Estate Lab is a multifaceted program designed to help our participants develop the knowledge, networks, and capital needed to become successful entrepreneurs.



Allentown
All Inspiring