

ALLENTOWN PA

LAB

THE REAL ESTATE

2022

ANNUAL REPORT

A LETTER FROM OUR CO-FOUNDER

As we conclude another transformative year at the Real Estate Lab, I am grateful for our community's unwavering commitment and dedication to our shared vision of training and supporting our community's next generation of real estate entrepreneurs. It is through your steadfast support that we have been able to make a profound impact on our participants.



This year marked a significant milestone for the Real Estate Lab as we incorporated as a 501(c)(3) non-profit organization. This new structure strengthens our foundation and expands our ability to serve our community with greater impact.

Furthermore, I am thrilled to share that we partnered with Lehigh Carbon Community College, enabling our program participants to earn three college credits upon completing our program. This collaboration enhances their educational journey and opens doors to broader opportunities for their future success.

Finally, we were deeply honored to receive the Chamber of Commerce's Community Impact Award, recognizing our significant contributions to the betterment of our community.

At the heart of the Real Estate Lab lies our unwavering commitment to equipping aspiring investors with the essential tools required for their success: Knowledge, Networks, and Capital. None of this would be possible without the invaluable support of our community partners.

As the Real Estate Lab continues to evolve and adapt to better serve the evolving needs of our community, our north star remains steadfast: empowering residents to take their first steps towards building wealth and making a lasting impact on their community. We are resolute in providing individuals with the resources, guidance, and opportunities they need to thrive.

YUSUF DAHL

Co-Founder, The Real Estate Lab & Director for Innovation and Chief Executive Director, Century Promise

REAL ESTATE LAB IMPACT



"At the Real Estate Lab, we embrace the profound truth that self-improvement unfurls when individuals invest in themselves, -igniting positive impact within their community. Our journey through Real Estate cultivates visionary leaders who not only foster personal economic growth but also hold a vested interest in nurturing their communities."

JONATHAN STRAUSS

Director, The Real Estate Lab & Principal, Cortex Residential

**CREDIT SCORE
AVG INCREASE
319 POINTS**



**AVERAGE INCREASE OF 40PTS/STUDENT
6 STUDENTS INCREASED THEIR SCORES BY > 25 PTS**

**OVER \$4 MILLION
OF REAL ESTATE
PURCHASED**

35 UNITS PURCHASED

\$148,200 real estate
purchased on average per Real
Estate Lab student

**400
MENTORSHIP
HOURS**



**PARTICIPANT SATISFACTION SCORE:
5/5 FROM ALL STUDENTS**



**FIRST STUDENT
RECEIVED LCCC
COLLEGE CREDITS**

**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

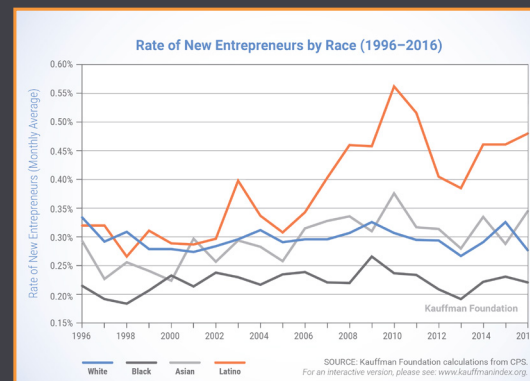
Despite over 20 trillion dollars of anti-poverty programs in the US, the black-white economic divide is as wide today as it was in 1968, with the average net worth of a white family being nearly 10x that of a black family.

<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

LAB

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

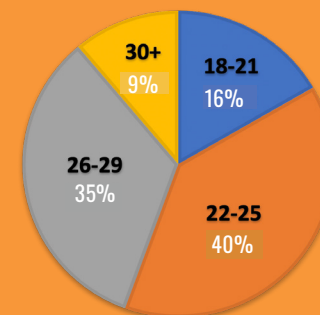
Through the generosity of our partners, a real estate investment fund is available to program participants who have completed the program for the acquisition and rehab of Allentown-area properties. Last year we deployed over \$600,000 in financing to support Lab participants.

It's more than Real Estate.

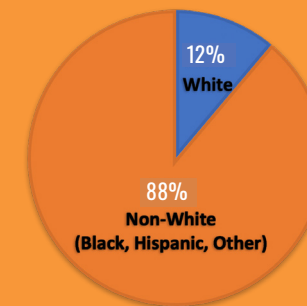
Our students gain real-world knowledge and the necessary tools to create opportunity.



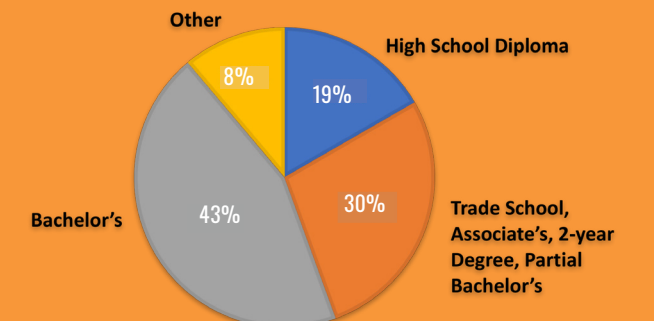
39% of our students were the first in their family to own a home.




Age



Ethnicity



Education



“Manny going through the Real Estate Lab, buying a property, now continuing at LCCC to gain more business skills – that’s going to help him further scale his business...that is powerful.”

— Yusuf Dahl



Manuel Casanova of Allentown taking notes during a Real Estate Lab lecture.

INVESTING IN COMMUNITY BY JILL YAPSUGA

Allentown is a racially and ethnically diverse community and to make sure that real estate owners and investors reflect that, LCCC has partnered with the Real Estate Lab, an Allentown nonprofit that aims to prepare budding entrepreneurs with the tools needed to succeed in real estate investment. “People often come to us with no previous real estate knowledge or experience,” says Yusuf Dahl, co-founder of the Real Estate Lab. The Real Estate Lab has partnered with Lehigh Carbon Community College to provide students who have completed the free community course offered at the lab with prior learning credits toward a business degree at LCCC.

According to Dahl, the 10-week Real Estate Lab course, “provides the knowledge, networks and capital to help underrepresented aspiring entrepreneurs get started in real estate.” Each two-hour class is split between that week’s lesson and a subject matter expert, thereby increasing the networking connections students can make throughout the course.

In Allentown, the opportunity to invest in real estate is especially appealing given the disparity in the market. As Dahl points out, “Allentown is becoming more and more diverse, but if you look at who owns property, it does not reflect that same level of diversity. Real estate historically has been the best asset class to build wealth.”

The Real Estate Lab is a joint venture between Dahl and co-founder and president of City Center Investment Corp., J.B. Reilly. The lab’s mission is to foster community development by “aligning the economic self-interest of residents with positive neighborhood outcomes”.

Manuel Casanova of Allentown has gained a host of knowledge from the Real Estate Lab. The highly motivated 20-year-old owns six units with his older brother, who helped him enter the world of real estate investing early.

He is currently studying Business Administration to gain the skills needed to be an entrepreneur. “I thought this would give me better foundational skills and knowledge on how to run a business because eventually I want to own my own real estate firm,” he says.

For the Real Estate Lab, located just blocks away from LCCC Allentown at the Donley Center, a partnership between LCCC and the lab is all about creating the pathway to a future in business for students who choose to continue their education beyond the 10-week lab course.

“Real estate is a business. We always encourage our participants to continue their education. To be able to provide a seamless transition for a person who wants to continue that business education with an institution like LCCC where they’re coming in with some credits, I think that’s a phenomenal and unique element to this program and it reflects the ethos of community partnerships that are the bedrock of the Real Estate Lab,” says Dahl.

As Dahl points out, the path from the Real Estate Lab to LCCC is especially appealing to students like Casanova, who are interested in going on to have their own business, “Manny going through the Real Estate Lab, buying a property, now continuing at LCCC to gain more business skills – that’s going to help him further scale his business...that is powerful.”

LCCC - ASPIRE MAGAZINE - 2023



KENNETH CRUZ

“My experience at the Real Estate Lab was one of a kind. Everybody was there for me. They really want to see individuals who are in the cohort succeed. So after taking the course, I feel confident to keep going in my real estate journey.”

“The knowledge that I gained in the real estate lab was enormous. Every day was something new, something different to learn. Till this day, even though class is over, I’m still interacting with the cohort, the Lab in general. I would definitely recommend the Real Estate Lab to those individuals who want to get into real estate but are a bit hesitant, like I was initially.”

Mentorship is so important in entrepreneurship because no one does it by themselves. One of my keys to success when I got started is when I ran into a problem that I didn’t know the answer to. I had someone I could go to. I didn’t have to make the mistake five times before I figured it out. I could go to people that could help me get it right the first time.



The Real Estate Lab cohort learning about property insurance from an industry volunteer.



OR SCAN TO WATCH



The cohort touring a residential rehab from a past participant.



AWARD SPOTLIGHT

The Lehigh Valley CRED Impact Award gives the Chamber an opportunity to honor exemplary organizations for their service in the community and honors individuals and organizations who have demonstrated outstanding commitment and are driving positive impact while achieving impressive business growth.

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 Group, 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 role in helping 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 easy access to the resources and capital they need to invest in real estate and manage properties in downtown Allentown.

Since 2020, 27 students have completed the training and purchased a total of 35 properties in downtown Allentown worth \$4 million. Participants come from different walks of life but share an entrepreneurial spirit and a desire to help their community.

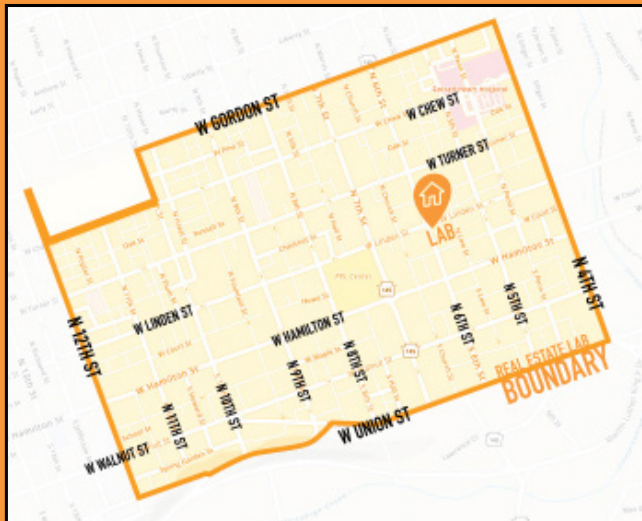


I’m grateful for the leadership of Yusuf Dahl. Our goal is to help local residents, including at-risk young adults like Yusuf Dahl once was, develop an economic self-interest in the growth and success of their downtown Allentown community. Yusuf’s life experience and his leadership are responsible for our success so far. When our participants succeed in real estate investment, not only do they have a new path for creating income, but they are also improving the quality, availability, safety and ownership rate of the housing in downtown Allentown.

J.B. Reilly
President & Co-founder
City Center Group

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

The Morrow Wargo Group
Bellman and Radcliff
Full Circle Realty and Property Management
First Priority Solutions
People First Federal Credit Union
Empire Property Management
Daubert, Shannon, and Associates
Juan Martinez
Cortex Residential
Pezon Properties



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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.

