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Troutbrook makes debt and real estate acquisitions

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As they look at the at the changing macro economy, Troutbrook Co. adjusted its strategy in looking at marketplaces and the real estate opportunities that are offered.

The flight of their equity to core assets and marketplaces, offers preservation of capital and the ability to get relatively attractive yields, when compared to the equity markets, over the long-term. Over the past year, the company made several acquisitions of both debt and real estate. They acquired the debt on 1711 Lexington Ave., Manhattan, in partnership with Ken Segal of the Segbro Cos., a stalled development site, and are in the process of attempting to work through a solution with the borrower. Troutbrook continues to move forward on the repositioning of 855-857 9th Ave., Manhattan; recognizing that the low vacancy factor is attributable in part, to the design direction of Cecilia Reboursin and Arlene Somer. This has contributed to the success of the slow increases in rents on property units. At present, they are also selling 109 Butler St. in Brooklyn, a ground-up development they recently completed.

Troutbrook's core strength is in developing 50,000 - 150,000 s/f buildings. Like many owners and developers, they are adjusting to the opportunities that present themselves throughout the marketplace.

With the New York real estate markets looking more buoyant each quarter, they maintain a perspective that incorporates an acquisition strategy with focus on macro fundamentals in the marketplace, and conservative underwriting that provides for our accepted returns on and of capital.

After spending that last few quarters focusing on pursuing residential and mixed-use development deals in New York City, Troutbrook recently completed an acquisition in Adventure Florida, buying debt on a residential property from JP Morgan Chase and getting the deed upon closing. Marc Freud, the managing principal of Troutbrook, said that the "new-new" is beginning to resonate. He said that the equity risk and alleged premium for taking on real estate repositioning and development risk, of core real estate assets, often does not exist on deals when underwritten using Troutbrook's matrix. Freud remains optimistic that as a well capitalized company, hopefully more supply of real estate assets will be forthcoming in the future quarters, which may present acquisition opportunities for Troutbrook and its partners in the greater New York Region.