



BSD and Crow Holdings acquire multifamily portfolio for \$85 million; Scandalios, Cruz, Julien and O'Hearn of HFF represent seller

May 21, 2012 - Front Section

Broad Street Development (BSD), a New York-based owner, developer and property manager led by principals Raymond Chalmers and Daniel Blanco, along with Crow Holdings, a national real estate investment firm, acquired a 208-unit residential portfolio in Gramercy Park marketed by HFF for \$85 million. The joint venture purchased the mid-rise multifamily properties located at 210 East 22nd St. and 220 East 22nd St., from GID Investment Advisors, LLC.

"We are thrilled to acquire such a strong rental portfolio in one of Manhattan's most desirable neighborhoods, as we continue to expand our residential platform in New York City," said Chalmers. "We see a great opportunity here to add value by enhancing the product in this very strong rental market. There's tremendous demand for residences in the Gramercy Park neighborhood, and we are going to meet the market with outstanding product."

The HFF investment sales team representing GID was led by senior managing directors Andrew Scandalios and Jose Cruz, and directors Jeffrey Julien and Kevin O'Hearn. Senior managing director Mike Tepedino and associate director Michael Gigliotti, of HFF, arranged the financing. Nationwide Insurance Fixed Rate Debt provided the mortgage for the acquisition. David Israni, managing director at BSD, worked with the team on key aspects of the transaction.

BSD and Crow Holdings will immediately embark on a \$2 million renovation campaign making significant aesthetic and operational improvements to further maximize the properties' rental value.

The portfolio consists of two, fully-occupied mid-rise buildings, Gramercy West (210 East 22nd St.) and Gramercy Central (220 East 22nd St.) between Second and Third Aves. The properties are mainly comprised of studio and one-bedroom units with multiple floor plans that attract a broad range of tenants. During the past seven years, all units have undergone some renovations, with a number now featuring hardwood floors, balconies/patios, walk-in closets and loft style layouts. The buildings feature modern lobbies, laundry on each floor, elevators and part-time doormen.

"We recognized a great opportunity to bring our selective investment strategy and hands-on management style to these assets, and to duplicate the great success we had at other residential projects including 184 Thompson St. and Maison East on the Upper Eastside," said Blanco.

Chalmers said, "With the increasing demand for quality housing, especially from the influx of technology employees currently fueling the city's economy, this type of multifamily investment is extremely desirable in today's marketplace."

Gramercy West and Gramercy Central are conveniently located to the 4, 5, 6, L, N, R, and Q trains, and some of the finest dining, shopping and entertainment. Gramercy Park's quiet, residential blocks offer a mixture of brownstones, walk-ups and high-rise apartments buildings.

This acquisition is the second time BSD and Crow Holdings have joined forces to expand their

residential footprints in Manhattan. The partnership is also in the planning stages for a new condominium development at 209-219 Sullivan Street, that reflects the historic site and maintains the character of the neighborhood. BSD is also noted for its widely-successful condominium conversions of 140 homes at 184 Thompson St. and 100 condominium homes at Maison East, located on Third Ave. and 81st St. The company is equally recognized for its excellence in commercial real estate ownership and management. BSD currently owns a 1.2 million s/f portfolio of office properties including 55 Broadway and 61 Broadway in the heart of Lower Manhattan.

Broad Street Development is an investor group led by Raymond Chalmers and Daniel Blanco focusing on the acquisition and management of real estate assets. With more than three decades of combined real estate experience, Chalmers and Blanco have developed a reputation as "hands-on" owners and managers. The firm specializes in the repositioning of acquired assets to meet the requirements of today's commercial and residential tenants.

The seller, GID is a privately-held, globally-diversified, and fully integrated real estate organization founded in 1960 that employs over 650 real estate professionals in multiple offices throughout the United States. During its 51 year history the company has acquired or developed over 54,000 residential units and in excess of 13 million square feet of commercial space. As of December 31, 2011, GID controls a real estate portfolio consisting of 107 properties located in 19 states, and totaling more than 35 million square feet comprised of over 22,000 residential units and more than 5.7 million square feet of commercial space. In addition, GID has more than 12 million square feet of fully entitled properties in its development pipeline.

The portfolio was marketed by Holliday Fenoglio Fowler, LP (HFF) and HFF Securities LP (HFFS) are owned by HFF, Inc.. HFF operates out of 20 offices nationwide and is a leading provider of commercial real estate and capital markets services to the U.S. commercial real estate industry. HFF together with its affiliate HFFS offer clients a fully integrated national capital markets platform including debt placement, investment sales, advisory services, structured finance, private equity, loan sales, and commercial loan servicing. www.hfflp.com. ©, Broad Street Development

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540