



PWC holds construction developers forum on January 31 at the General Society in NYC

March 25, 2008 - Spotlights

Looking for opportunities. Creating opportunities. These were defined as two key tactics for "Carving a Niche" in today's turbulent real estate market in a Developers Forum hosted by Professional Women in Construction (PWC) that featured several of the NYC metro area's most creative and successful developers. The January 31 program, the latest in PWC's ongoing series, was moderated by Lois Weiss, real estate columnist with the New York Post, Gotham and cityfeet.com, and held at the General Society in New York City.

Christopher Schlank, managing partner with Savanna Real Estate Fund, noted that there is "tremendous opportunity within the current turmoil." His team began acquiring unrealized properties in 1992, on the heels of the recession of the late 1980s. Acting as an operating partner to large institutional real estate equity funds, Savanna has had success by adding value to properties up and down the northeast corridor. Examples include the Bristol Business Center in Connecticut, 182 acres well-situated just off the I 84 corridor that was formerly a General Motors warehouse/distribution facility; and 343 West 42nd St., a parking lot in the center of the New 42nd Street Business Improvement District that was resold by Savanna, along with air rights, in 2001 at a significantly higher rate.

Jon Kully and Mick Walsdorf, principals of FLAnk, bring added value to projects from the design side. At 520 West 27th St., the team created a 50,000 s/f commercial condominium in Chelsea comprised of a base building and a tower with an outdoor recreational space and a custom glass block curtain wall. At 133 West 4th St. near Washington Square Park they fashioned an eight unit development by converting elements and retaining others - such as stained glass windows -- from the property's past incarnation as a Methodist Church. At East 57th St. and Sutton they took a 15-story sliver building and separated units into, said Walsdorf, "a distinctly stacked set of duplexes and triplexes" featuring a fritted glass facade. He noted too that their focus is on larger units in neighborhoods populated by less roomy structures.

David Berger and Gregory Belew, managing partners with Fifth Square Partners, have created a series of projects in New York City, Philadelphia, Baltimore, Greenwich and Jersey City. Specializing in the adaptive reuse of historic buildings they find, noted Belew, that the structures face such challenges as inadequate weatherproofing, yet also boast such advantages as high ceilings and large windows.

In Philadelphia, 1230 Arch St. was converted into 35 loft-style condos. Fifth Square Partners' first foray into the NYC market was at 344 Bowery in NoHo, where five chic full floor lofts were formed. Their newest project is The Steelworks Lofts, a conversion of a Williamsburg manufacturing building into 88 loft condos.

Belew noted that the future direction will be "more New York-centric," and that they will venture into

hotels, offices and rental apartments as well as more "ground-up developments as the stock of viable conversion candidates dwindles."

Michael Yanko and Eran Conforty, principals of Horizen Global, define their firm as a "boutique real estate company" with a mission. Noting their belief in collaboration with the community and the City, and their commitment to green building, Conforty said, "We don't want to build concrete jungles, but projects that honor people."

Horizen's strength, said Yanko, lies partly in its focus on the ultra-luxury market which is "less constrained by interest rates."

Horizen's Manhattan projects include Soma, an eleven-story, 10-unit luxury loft condominium in Chelsea; Hudson Blue on the lower edge of the borough with ten floors and two penthouses featuring spectacular Hudson River views; and the 222-unit Vu Hotel in "Hell's Kitchen" designed by David Rockwell and Carlos Zapata Studio which offers panoramic skyline and river views from the roof.

Yanko said that Horizen is "bullish about the NYC market" and "cautiously optimistic." The developers are also creating a mixed-use eco resort on the northern coast of the Dominican Republic.

Mario Procida, president and CEO of Procida Realty & Construction Corp., joined forces with partner, Louis Greco, head of Brooklyn-based Second Development Services (SDS), in 2001 to form SDS Procida Development Group, combining, said Procida, "75 years of experience in real estate and construction." As a developer, he and Greco continue to do their own construction.

SDS/Procida developments include the "Distinctive Properties" brand of luxury residential projects such as On Prospect Park, a Richard Meier designed Brooklyn condominium located at Grand Army Plaza, as well as the high-end "be@" brand of properties which include be@boulevard east in Brooklyn; be@clinton in Clinton West; and be@schermerhorn in downtown Brooklyn, a mixed use development with a 25-story tower and a six-story loft building.