



\$330m Watermark at Brooklyn Heights reaches 75% completion

November 19, 2019 - Design / Build

Brooklyn, NY The \$330 million redevelopment of 21 Clark St., by Watermark Retirement Communities in a partnership with Kayne Anderson Real Estate, proceeds on schedule for an early 2020 opening. The Watermark at Brooklyn Heights is a conversion of the Leverich Towers Hotel and a former Jehovah's Witnesses' residential property, into an upscale senior residence, which will feature 275 newly renovated residences.

The development team includes the majority owner Kayne Anderson, which has invested \$130 million into the project; the operator, co-developer, and minority owner Watermark/The Freshwater Group; and the development partner, minority owner, and construction owner's representative Tishman Speyer. The lending consortium consisting of the lead lender BMO Harris, as well as Wells Fargo and Capital One, provided a \$200 million acquisition and re-development loan.

Watermark has engaged the architectural firm of Montroy DeMarco Architecture (MDA) and interior designer Lemay + Escobar to develop the architectural design for the property. Hudson Meridian was the contractor.

"Through our passion and commitment, we are building extraordinary communities in which residents thrive across countless opportunities to dine, learn, engage, and enjoy and enrich life. With The Watermark at Brooklyn Heights, we are continuing to reimagine the concept of retirement for discerning, active retirees at the historic 21 Clark St.," said Watermark's chairman David Freshwater.

"We are enthusiastic to be involved in fulfilling a growing demand for high-quality seniors housing in the heart of Brooklyn Heights. Urban senior housing properties are an attractive alternative real estate investment segment within a rapidly growing market. We are proud to lead this market sector nationally with our partner, Watermark," said Al Rabil, CEO, Kayne Anderson Real Estate.

Located in the Brooklyn Heights district, the 310,000 s/f property was originally constructed in 1928 as the Leverich Towers Hotel. In 1975, Watchtower purchased The Towers as housing for their local Jehovah Witness volunteer force and began to restore the intricate architectural features that defined the building's place in the Brooklyn Heights Historical District.

The current renovation will preserve much of the building's original structure and history while adding a reimagined, stylish interior. At 16 stories, with a rooftop terrace, garden, and Skyline club room, the Watermark at Brooklyn Heights will offer views of New York Harbor, the Manhattan skyline, the Brooklyn Bridge, and the Statue of Liberty.

The building's 275 apartments include 29 for independent living, 204 for assisted living, and 42 for memory care. The residences are offered in 78 different floor plans, configured, and designed to embrace the building's heritage. Ranging from studio to one- and two-bedroom apartments, the apartments at The Watermark will cater to each resident's tastes, space requirements, and preferences. Apartments are all thoughtfully crafted with an open floor arrangement and will feature designer kitchens or kitchenettes and modern bathrooms with walk-in showers. Expansive, vintage mahogany-trimmed windows will allow for abundant natural light and spectacular views.

According to Richard DeMarco, AIA, MDA's principal and the project's lead architect, "This residence will have a number of dramatic public spaces, including a soaring two-story restaurant. We are respecting the original beauty of the building and reviving some features to create an amenity-filled environment for discerning seniors. Overall, we have planned and designed the Watermark at Brooklyn Heights to enable residents to be proud of their environment."

Upon entering the building, residents and visitors will be greeted by a grand entryway with a classic modernist aesthetic that flows into a curated, contemporary, public art gallery, curated by the prominent art consultancy nAscent Art, which will feature work from local and emerging New York City artists and will look down upon the stunning restaurant below. The first-floor acts as a welcoming space designed to foster gatherings with family and friends, including Willow + Clark Café, The Biblio library and wine bar and salon. The floor below will feature not only the main restaurant called The W Room, but will also showcase Gustoso & Family, offering a European inspired exhibition kitchen, including a brick hearth oven for chef made, favorite recipes. Members and their families will also be offered private wine storage and wine tasting rooms.

The property's 50,000 s/f of amenity spaces will include two levels dedicated to entertainment and wellness. Residents have access to a beauty salon, Indulge spa, creative arts studio, movement studio, movie theatre and more. Featuring live theater and the arts, the performance arts center will cater to a wide array of creative expression with a stage, theatrical lighting and proper acoustical treatments. All amenities are complemented by the opportunity to take expert-led interactive classes from world-class instructors. Watermark University will offer lectures and other informed programs tailored to residents' interests.

The lower level will be dedicated to resident wellness, with areas that promote both physical and mental wellbeing. The Vitality Fitness Center will feature a warm-water therapy pool with senior-friendly pneumatic equipment with access-controlled programming. Water aerobics and aquatherapy classes will be offered in addition to water walking and lap swimming. This floor also features a fully equipped fitness studio with locker rooms, showers, and a movement room, where group fitness programs will be held. Additionally, a wellness center will feature activities such as blood pressure clinics as well as massage, acupuncture, and other alternative therapies.

The Watermark at Brooklyn Heights will also provide two floors of Memory Care services for those living with cognitive impairment. Outfitted with 24-hour specially trained staff, these areas will feature a private outdoor courtyard and The Greenhouse, a horticultural therapy and planting room featuring raised beds which residents can enjoy. Each of the Memory Care “neighborhoods” will feature a residential-style living area, providing a comfortable environment in which to read, visit with family and attend special programming. A satellite salon in each of the Memory Care neighborhoods will provide added convenience for those wishing to partake in these services. Circadian lighting will be incorporated in certain areas to create better opportunities for improving health and well-being of individuals with Alzheimer’s and related dementia.

“This project aims to provide an abundance of lifestyle amenities, allowing residents flexibility and choice in their everyday life. The property will feature a slightly understated, classic timeless elegance that urban New York-area residents will be familiar with and appreciate,” said DeMarco.

The opening of the Watermark at Brooklyn Heights comes ahead of the steady increase of baby boomers entering retirement age. The most recent National Center for Health Statistics Data Brief says that by 2050, the 65-plus age group is estimated to exceed 88 million, nearly double its current population. What makes the Watermark at Brooklyn Heights attractive to boomers is their interest in healthy and active services and amenities that are both culturally and recreationally stimulating.

Watermark and Kayne Anderson’s partnership owns and operates a portfolio of 16 retirement communities totaling more than 2,500 beds of independent living, assisted living, memory care and skilled nursing, valued at approximately \$1.2 billion in deal capitalization.

The Watermark at Brooklyn Heights was specifically designed to fill a void for high quality seniors housing in the New York City market and aims to provide a smooth transition from living at home to living at a service- and amenity-rich apartment building in which residents can enjoy an active lifestyle while obtaining various levels of care.