



2019 Year in Review: Benjamin Levine, Douglaston Development

December 31, 2019 - Spotlights

Name: Benjamin Levine

Company: Douglaston Development

What was your greatest professional accomplishment in 2019?

Without question, my greatest professional accomplishment of 2019 was completing the condominium conversion of the landmarked 75 Greene in Fort Greene, Brooklyn. The project included the combination of two existing early 20th-century buildings that were built in multiple phases and with different building types. As a result of the age of the existing buildings, the permitting and approval process required an incredible amount of coordination with City Planning, Landmarks, DOB and the BSA, among other agencies. The project required a full structural gut renovation and the relocation of the elevator core during construction as a result of boulders that were found under the slab for the elevator pit. In addition to the conversion of the existing buildings, we built four ground-up townhomes which required landmarks approval and significant technical planning because the existing buildings on the site were overbuilt and FAR had to be allocated accordingly, which created challenging design decisions for laying out the townhomes.

What are your predictions for commercial real estate in 2020?

The most notable transaction of 2019 I was able to be a part of was in the financing of 601 West 29th St., a 940-unit, 75/25 rental building located along the High Line just south of the Hudson Yards. The site was acquired under a 99-year ground lease which needed to be finalized while we were negotiating the financing. Our team did a great job working with Greystone managing the offering on our behalf and we are thrilled with the outcome of the process. We were able to structure a joint venture partnership with Ares Management on the equity side and with a syndication of banks including HSBC as lead lender along with Helaba and Bank of China on the debt side. Not only was the project the first our firm has done under the new Affordable Housing New York Program, but it involved complicated structured financings on both the equity and debt. All told, the total capitalization of the project was \$590 million. In addition to closing the financing, we have already broken ground on the project.

What are your predictions for commercial real estate in 2020?

While I can't admit to having a clear 20/20 vision of the direction of the New York City real estate market in 2020, there are a few trends that need to be watched. On the residential side, there is a significant number of new, unsold development condominiums that have been on the market. Many

developers have holding out hope that they can still hit their underwritten sales prices. When you combine the sluggish luxury sales market with the high monthly carrying costs on these units, it is hard to be optimistic on the state of the condominium market. On the rental side of the business, the new rent regulations were a shock to the market and the full impact of this wide-ranging change in legislation has yet to be felt. I am very curious to see how the real estate community can come together and work with elected officials going forward to ensure that the long-term effects of these regulations aren't harmful to the city. Lastly, I'm very curious to see what happens with WeWork and how some of their former shared office spaces will be reabsorbed into the market.

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