



NKF wins top two honors for REBNY's 76th Annual Sales Brokers Most Ingenious Deal of the Year Awards

July 23, 2020 - Front Section



New York, NY According to Newmark Knight Frank, (NKF) it has won the top two awards for Real Estate Board of New York's (REBNY) 76th Annual Sales Brokers Most Ingenious Deal of the Year Awards. The firm earned the first-prize Henry Hart Rice Achievement Award for its lease transaction at 50 Water St. with NYC Health + Hospitals (HHC); and the second-prize Robert Lawrence Memorial Award for the Parker Real Estate Portfolio sale at 34 Desbrosses St.

First prize went to "A Prescription for Healthy Savings for NYC" which was a complex consolidation and relocation for HHC, a not-for-profit public benefit corporation and one of the largest public health care systems in the U.S. What made this deal ingenious was that NKF brokerage team of executive vice chairman Brian Waterman, vice chairman Lance Korman and executive managing director Ira Rovitz, with financial strategy provided by vice chairman Romel Cañete and director Daniel Keegan, negotiated a four-party agreement with the existing owners, current tenant leaseholder, future property owner and HHC. The new transaction created a campus-like environment for HHC, by

maintaining its corporate Headquarters at 55 Water St., in addition to consolidating its 350,000 s/f real estate portfolio, spread over six locations, and growing into 525,000 s/f at 50 Water St., thus reducing the overall lease costs by an estimated \$220 million.

This year's win marks Waterman's third time taking home the honor, Romel Cañete's second and a first for Korman, Rovitz and Keegan.

"Equally paramount to focusing on the financial engineering of transactions is the importance of listening to the needs of both the tenant and the landlord. A solid partnership between all parties involved is critical so that everyone is confident about the strategy and solution," said Waterman. "In this situation, our tenant is such a part of the fabric of NYC and provides a much-needed service, so it was imperative that HHC landed the right outcome with the right landlord."

The evening's second prize went to "The Billion-Dollar Breakup: Selling and Financing the Parker Family Estate Portfolio (Truffles and Parker New York Hotel)."

The portfolio comprised four properties located in Forest Hills and Manhattan including the Parker Meridian-Parker Hotel and Truffles Tribeca at 34 Desbrosses St. The ingenious aspect of this deal was that NKF's president and head of investor services James Kuhn, vice chairman Jordan Roeschlaub, vice chairman, co-head of lodging Larry Wolf, executive managing director Michael Byrne and senior managing director William Lee were able to divide the portfolio and arrange four transactions simultaneously to four different buyers, achieving approximately \$1.5 billion, while retaining 25% of the profits of a planned condo conversion and suggesting splitting the Parker Hotel into two smaller hotels and an upper-floor condo conversion. The NKF team achieved the sales by selecting buyers before new rent stabilization laws and condo conversion restrictions went into effect and helped secure tax efficiencies for the client. Ultimately, the entire portfolio was monetized at prices higher than anticipated, while achieving a joint-venture interest in the Truffles property for the client.

This marks the first time Kuhn has been awarded the prestigious industry honor of the Robert Lawrence Memorial Award.

"As one of the most complicated transactions of my career, engineering the complexities of dividing a portfolio to achieve maximum client value in the face of looming legislation impacts, I am most proud of NKF's platform, and our team's talent, expertise and ingenious execution," stated Kuhn.

Newmark Knight Frank is the winner of 18 REBNY Deal of the Year Awards in the last 16 years.

Since 1944, REBNY has hosted the Most Ingenious Deal of the Year Awards to celebrate the commercial real estate industry and recognize top brokers who have shown tremendous inventiveness in sourcing and closing New York City's most innovative commercial real estate transactions. This year for the first time in REBNY's 125-year history the event was held virtually via Zoom.