



**2024 Year in Review: Steven Charno, Douglaston
Development**

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Steven Charno
President

Douglaston Development

What noteworthy transactions or deals from this year best exemplified key market trends or shifts?

The new affordable New York tax abatement (485-x) could play a role in jump starting multifamily rental development in New York City. Concerns remain about the changes made to the minimum construction wage beyond the average wage requirements of the previous version of the tax abatement, which could impact underwriting for potential rental sites. We are optimistic that the combination of 485-X, the potential opportunity for greater density provided by City of Yes, and the new tax abatement for office conversions (467-m) will help drive the future creation of more quality rental housing in the city.

What was your greatest professional accomplishment or most notable project, deal, or transaction in 2024?

In the period during which there was no rental tax abatement program, we pivoted out of necessity towards condominium development. In 2024, we closed on financing for a \$425mm condominium development project on the Upper East Side. This project is uniquely complicated, as the site was a single existing building that required demolition and related structural reinforcement of the vacant south half while residents remained in place in the north half. So far, the project is going very well, but it certainly reinforces our belief that any site still worth developing in Manhattan will have its own unique complexities.

What emerging trends will drive investment and development in 2025?

In addition to pro-housing creation legislation, it would be wonderful to see the long-awaited drop in interest rates actually happen in 2025. It has been more difficult to underwrite and raise debt and equity for our multifamily projects in the high-rate environment. Rates dropping, along with a loosening of debt and equity markets now that there is a tax abatement back in place will hopefully make 2025 a productive year for us in the multifamily space.

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