



CONDOS GONE BAD

A roundup of canceled and reconfigured projects around New York City

Manhattan

10 West 65th Street by Extell Development on the Upper West Side, 87 units. Extell purchased the building in 2004 with plans to renovate the mostly rent-stabilized and rent-controlled units into luxury rentals or condos, but decided to make a quick double on its investment by selling it to Touro College. (The Real Deal, June 26, 2008)

20 Pine — The Collection by Leviev Boymelgreen, 20 Pine Street in the Financial District, 413 units. Lev Leviev and Shaya Boymelgreen decided each to keep half of this tower following their breakup. With roughly 60 percent of the units sold, StreetEasy lists 59 rentals, and Curbed.com received word that 80 of the building's unsold units are on the market in bulk for \$63.7 million.

99 John Deco Lofts by Rockrose Development, 99 John Street in the Financial District, 442 units. Rockrose purchased this rental building to convert it into condos. With slow sales, units recently became rent-to-own. (New York Times, Dec. 27, 2008)

352 West 123rd Street in West Harlem, five units. The entire building is being offered for \$4.2 million, down from \$5.2 million. A broker told New York Magazine that the developer is "impatient" to sell and that the building may become a U.N. consulate. (New York Magazine, Oct. 19, 2008)

446 West 38th Street by Daniel Platousky in Hell's Kitchen, six units. After nothing sold, all units were pulled from the market; the entire building then was offered for sale, but was also taken off the market. (New York Magazine, Oct. 19, 2008)

643 East 11th Street in the East Village, 11 units. Only three units sold, so the developer put at least one unit up for rent while the others are on the market. (StreetEasy)

Bridges NYC North by North Manhattan Construction, 2283 Third Avenue in East Harlem, 18 units. Originally envisioned as only condominiums, the building was converted by North Manhattan for commercial and rental use after it failed to sell. (New York Sun, June 12, 2008)

The Campbell by Toja Enterprises, 148 Chambers Street in Tribeca, six units. Sales were delayed until early 2007 because of a fire during construction, and since then nothing has sold. Some of the units are being marketed as rentals. (StreetEasy)

Drake Hotel site by Macklowe Properties, 440 Park Avenue in Midtown. Macklowe tore down the



historic Drake Hotel as part of an assemblage that would be a mixed-use hotel, residential and retail complex, and then ran into financial trouble. Recently, The Real Deal reported that publicly traded lender iStar Financial is considering offers of roughly \$160 million for its first position note on the site, a quarter reduction. (The Real Deal, Jan. 9, 2009)

East River Project by East River Realty Company, First Avenue between 35th and 41st streets in Midtown East, 4,100 units. Developer Sheldon Solow's partners dropped out of the massive, mixed-use project south of the United Nations, and he doesn't have an anchor office tenant. He's also fighting with the State Department of Environmental Conservation over \$250 million in cleanup money. (New York Post, Jan. 15, 2009)

The Exchange at 25 Broad Street by Swig Equities in the Financial District, 306 units. Numerous construction delays and at least one lawsuit have plagued the luxury conversion. There are no recorded sales in the building, the sales office is now closed and foreclosure proceedings against the developer began in January. (PropertyShark; The Real Deal, Jan. 5, 2009)

Note: Correction appended

Hudson Blue by Horizon Global, 423 West Street in the West Village, six units. No sales were ever recorded here, once rumored to be the future home of Leonardo DiCaprio. The developer then, curiously, turned the 12-story building into one unit for \$22 million, but still found no takers. A lis pendens was filed against the property in August. (New York Magazine, Oct. 19, 2008)

Lotta Condominiums by Gal Sela and Eli Idi, 159 West 118th Street in Central Harlem, 35 units. A few of the units went into contract last spring, but when the market went south the developers rebranded the building the L-Hostel. (New York Magazine, Oct. 19, 2008)

M127 by Cardinal Investments, 127 Madison Avenue in Midtown South, eight units. Only two units sold, so the developer decided to market the rest as a high-end, furnished hotel and short-stay rentals. (Sales associate)

Morgan Court by Perlbindery Realty Corporation, 211 Madison Avenue in Murray Hill, 40 units. Perlbinder sold 19 of the units when the building first opened in 1985, then marketed the rest as high-end rentals. In 2007, the developer gut-renovated the remaining units to sell as condos, but after selling only 11 of them, started a rent-to-own program this past fall. (StreetEasy; sales associate)

Nobu Hotel and Residences by Kent Swig, 45 Broad Street in the Financial District, 77 units. Lehman Brothers began foreclosure proceedings in January on the mixed-use building, which also includes 128 hotel rooms and 13,000 square feet of retail. (New York Observer, Jan. 23, 2009)

One 7th by REcappartners, 1 Seventh Avenue South in Greenwich Village. No units sold, so the developer turned them into rentals. The units are still on the market even though tenants occupy them, but no favorable offers have come in. (Developer)



Rector Square by YL Development, 225 Rector Place in Battery Park City, 304 units. The building began sales in July 2007 and is 40 percent sold. Now some of the units are up for rent, and it appears construction is stalled. (The Real Deal, Jan. 22, 2009)

Riverton Houses by Stellar Management, Fifth Avenue and 135th Street in Harlem, 1,228 units. In August, Stellar notified its mortgage servicer that it anticipated defaulting on its \$225 million mortgage because it wasn't able to evict enough rent-stabilized tenants to make the properties profitable. As of December, the company was still fighting to stave off foreclosure. (Various news reports)

Savoy Park by Apollo Real Estate Advisors, 45 West 139th Street in Harlem, 1,802 units. Apollo refinanced the property a year after purchase, bringing the total debt to \$367.5 million, and is now rated at a high risk for default. (Crain's New York, Sept. 28, 2008)

Shangri-La Hotel and Condos by RFR Holdings, 610 Lexington Avenue in Midtown, 66 units. A YMCA was torn down to make way for this condo-hotel skyscraper, which has yet to secure financing. (New York Post, Jan. 15, 2009)

Sheffield57 Condominium by Swig Equities, 322 West 57th Street in Columbus Circle, 580 units. Most recently, a private equity firm sued Swig, alleging he artificially inflated his stake in the luxury conversion. He's also been sued by rent-stabilized tenants and has \$2.8 million in mechanic's liens filed against the project. Fewer than half the units are sold in this luxury conversion job after more than two years on the market. (The Real Deal, Jan. 5, 2009)

Stuyvesant Town and Peter Cooper Village by Tishman Speyer, 20th Street and Avenue C, 11,227 units. Already embroiled in legal battles from rent-stabilized holdouts from the complex's Mitchell-Lama days, Tishman may only have six months of reserves remaining to pay interest on loans, it was recently reported. Fitch Ratings determined there is not enough income from the development to pay the debt service, fueling rumors of foreclosure. (The Real Deal, Jan. 22, 2009)

Trinity Stewart Condominium by Linea LLC, 8-10 Warren Street in Tribeca, 14 units. The developer was having trouble selling the last unit, so it was marketed as a rental this winter for \$11,000 a month, but the broker marketing it said offers are coming back too far below the asking price. (Sales associate)

Brooklyn

99 Gold Street in Dumbo, 88 units. The Developers Group had half the units sold before the offering plan was withdrawn and the building went from condo to rental. (DumboNYC, April 25, 2007)

110 Livingston Street by Two Trees Management in Downtown Brooklyn, 300 units. Two



Trees sold 260 units, then marketed the remaining 40 as rentals. (The Real Deal, July 1, 2008)

133 Water Street by Water Street Realty Group in Dumbo, 52 units. With few new rentals available in Dumbo in May 2007, 133 Water Street was one of the earliest condominium buildings to go rental, before it even hit the market. (Brooklyn Daily Eagle, May 31, 2007)

134 St. Marks Place in Park Slope, 7 units. No sales have been recorded after more than a year on the market, and a lis pendens was filed against the property in October. (PropertyShark)

185 Ocean Avenue, Prospect-Lefferts Gardens, 20 units. With only the foundation poured, the developer put the project on the market in November for \$2.5 million, and just reduced the asking price to \$2.3 million. (Brownstoner, Jan. 23, 2009)

192 Spencer Street, Bedford-Stuyvesant, 47 units. After making price cuts and still failing to move units, this Piet Mondrian-inspired building turned rental. (Brownstoner, March 25, 2008)

710 Sixth Ave by Ali Azad in Greenwood Heights, 15 units. Only one sale had been recorded in the building last summer after a year on the market; the rest of the listings were removed and the building turned rental. (StreetEasy)

240 East by GW Development of NY, 240 East Richardson Street in Greenpoint, seven units. All the listings were pulled off the market, and the former broker said they've since been rented. (Sales agent)

Atlantic Yards by Forest City Ratner Companies, Atlantic and Flatbush Avenues in Prospect Heights, 900 units. In December, Ratner told city and state officials the first phase of construction would include 900 rental units in three towers, which were originally planned as condominium and office space, according to the Daily News. (Daily News, Dec. 23, 2008)

Baltic House by United Management, 360 Baltic Street in Boerum Hill, nine units. With only two units sold, Halstead is marketing the rest as rent-to-own. (The Real Deal, Dec. 10, 2008)

Be@Schermerhorn by SDS Procida, 189 Schermerhorn Street in Downtown Brooklyn, 246 units. Sales began in September and not a single unit is in contract. A handful were just taken off the market. (Brownstoner, Jan. 20, 2009)



Bridgeview Tower, 189 Bridge Street in Downtown Brooklyn, 59 units. After more than two years on the market, only 11 sales have closed. Some are now being rented, and others are marketed as rent-to-own. (New York Times, Dec. 27, 2008; Brownstoner, April 7, 2008)

Carlton Mews in Fort Greene, 233 Carlton Avenue in Fort Greene, 40 units. Most recently a deal to sell the undeveloped site to a Brooklyn co-housing group fell apart because the developer wanted too much money, according to one co-housing member. (Brownstoner, Dec. 18, 2008)

The Clermont by BRP Development, 375 Myrtle Avenue in Clinton Hill, 52 units. Zero units sold after eight months on the market, so BRP switched marketing firms and turned the entire building into rentals. (Brownstoner, Oct. 27, 2008)

The Continental by Isaac Hager, 185 South 4th Street in Williamsburg, 46 units. Originally planned as condos, the project went to market as rentals in July. A commercial unit was sold to Sabass LLC for \$1.4 million in December. (Curbed, July 23, 2008)

The Decora by MKD Group, 165 North 10th Street in Williamsburg, 14 units. Friends and family snatched up some of the units. For the rest, the developer has offered a rent-to-own program, in which 14 months' rent goes toward the purchase, equaling 10 percent of the asking price. (The Real Deal, Oct. 2008)

The Green Church project by Abe Batesh, Fourth and Ovington avenues in Bay Ridge, 72 units. After the developer waged a dramatic, successful battle to raze the historic church for condos, he changed his mind and decided to sell the site. Recently, the local community board approved plans to build a school there. (Brooklyn Paper)

Forte by the Clarett Group, 230 Ashland Place in Downtown Brooklyn, 108 units. Sales have closed on only 32 units. The developer is considering turning the rest into rentals, but none have officially hit the market. (The Real Deal, Oct. 6, 2008)

The Knickerbocker by Hudson Companies, 320 Knickerbocker Avenue in Bushwick, 49 units. The project manager recently told the New York Observer he's glad this conversion will take a year, but admitted the units might be rental once they're finished. (New York Observer, Jan. 20, 2009)

Loft 305 by Bronsman Fischer Real Estate Holdings, 305 McGuinness Boulevard in Greenpoint, 38 units. Nothing in this building has sold and the units were recently taken off market. (StreetEasy)



The Metropolitan, 349 Metropolitan Avenue in Williamsburg, 40 units. The developer is in default on his primary debt and can't close on the 18 units in contract because the building is unfinished. The remaining units or the entire building is being marketed as a bulk investment. (The Real Deal, February issue)

Myrtle Avenue Project by Red Apple Realty, 202 Myrtle Avenue in Downtown Brooklyn, 660 units. The four-building project by supermarket magnate John Catsimatidis was downsized to one building, for starters, and plans for affordable housing were axed due to lack of bond financing. (Brownstoner, May 23, 2008)

The MYNT by Chetrit Group, 756 Myrtle Avenue in Clinton Hill, 72 units. Originally planned as condos, the units ultimately debuted as rentals. (Curbed, July 26, 2007)

Northside Piers by Toll Brothers City Living, Kent Avenue and North 5th Street in Williamsburg, 450 units in two towers. Pre-sales were strong on the first tower, but the waterfront project was just too big to beat the economic slowdown. Now they are being marketed as rent-to-own, with 100 percent of the rent going toward closing costs if a deal is signed within the first six months of occupancy. (StreetEasy)

One Brooklyn Bridge Park by RAL Companies & Affiliates, 360 Furman Street in Brooklyn Heights, 447 units. Once one of the borough's most promising new developments, only one-third of the building has sold, spurring the Brooklyn Bridge Park Development Corporation to cancel other planned residential developments within the waterfront park. The developer said that while there is an option to rent the remaining units, he's continuing to sell them as individual units. (New York Post, Jan. 22, 2009; outside source)

One Hanson Place by the Dermot Company, Fort Greene, 179 units. With more than 100 closed sales after two and a half years on the market, 21 units appeared "for rent" on StreetEasy in January. (StreetEasy, Jan. 8, 2009)

Oro I and II by United Homes, 306 Gold Street in Downtown Brooklyn, 303 units. With sales sluggish at the first Oro, the neighboring site has been left as a hole in the ground. Now the developer plans to turn the second building into two hotels. (Brownstoner, various dates)

Tonacchio Building by Dominic Tonacchio, Warren Street and Fourth Avenue in Park Slope, 49 units. Tonacchio turned the building rental because the units would "just take too long to sell." (The Real Deal, Nov. 3, 2008)



Selected Queens projects

Fusion by the Roe Corporation, 4251 Hunter Street in Long Island City, 24 units. Half the building has sold; the developer is marketing the rest of the units as rentals. (StreetEasy)

Sky View Parc by Muss Development, Roosevelt Avenue and College Point Boulevard in Flushing, 1,100 units. This is one of the city's largest projects. With construction of Phase I well under way, work recently halted because of a lender's strike. A third of the 448 condos and 70 percent of the retail space in Phase I is already reserved. (Crain's New York, Jan. 23, 2009)

The View at East Coast by Rockrose, 4705 Center Boulevard in Long Island City, 184 units. As of December, only 18 units had gone into contract since they hit the market last summer, despite a 110 percent buy-back guarantee if the owner decides to sell after five years. Now, according to a broker on the blog OuterB, Rockrose is testing the rental market with 30 units. (OuterB.com, Jan. 11, 2009)

View 59 by Crescent Street, 24-15 Queens Plaza North in Long Island City, 35 units. After 19 months on the market, the developer had sold 27 units, then in May decided to offer the remaining 11 as rentals. (The Real Deal, July 1, 2008)