IT IN BRICK

Helayne Seidman

111 Kent: Sold for $56 million

still paying high prices, but that they are being selective. "Nobody wants to make a mistake," he says.

This year, Heller and his team sold 111 Kent in Brooklyn, which set a record for multi-family outside of Manhattan with pricing of $900 per foot and $875,000 per unit. They will also soon start marketing a trophy Manhattan multi-family building.

"Apartment rentals have the strongest fundamentals and the most liquid debt market, so [we are] seeing more activity on the apartment side," says Andrew Scandalios, senior managing director of HFF, who is representing Extell Development in the sale of two Riverside Center parcels.

Heller says most investors have either a macro outlook, wherein they buy and the value rises with the market over time, or a micro outlook, where they think a certain property is undervalued and believe they can improve upon it and make money.

Jeffrey Sussman, president of Property Group Partners, says the company has been seeking assets here since it sold 148 Lafayette St. earlier this year to Epic through Eastdil Secured for $126.5 million. The building was part of a fund that had a life, he says. "We are looking at Park Ave. S. and constantly looking in TriBeCa and the Meatpacking [district], but are restricted to offices by our talent and knowledge," he explains.

As New York is the most competitive market, it is always a challenge to buy, but it is just a matter of what the challenge is at that time, says Charles Bendit, co-CEO of Taconic Investment Partners. Sometimes it's the debt markets, sometimes there is not a lot for sale and sometimes there is not a lot of capital.

"We have spent a lifetime building relationships and we are hoping those will continue to bear fruit," he says.

To get an edge for himself and his clients, David E. Ash, founder and principal of Prince Realty Advisors, is trying to act as an intermediary as much as a broker.

"Every transaction is an off-market deal, a principal-to-principal negotiation," says Ash. "I don't keep parties at arm's length — I manage the process but I promote positive discussions between the parties to get deals done."


Lois Weiss(2)

550 Madison Ave: For sale

Last year, large office sales were driven by the need to recapitalize assets, sometimes due to lurking mortgage deadlines or the termination date for a fund.

One broker, requesting anonymity, notes that most distressed assets coming into the market are really not distressed but are instead facing financing hurdles. "Before, they could get financing to 75 percent, but now they can only obtain 50 percent loan to value. That's what distressed is today, and these are typically sold as off-market transactions," the individual says.

This year, if your target building and your plan for it has a good "story," according to Darcy Stacom, "you can attract very good financing."

Stacom, vice chairman of CBRE, and her team have closed several deals this year, including 4 New York Plaza for $270 million, and are currently marketing 866 United Nations Plaza and 11 Madison Ave.

Stacom and other brokers report that this year has seen more outright sales versus recapitalizations. Last year, about $5 billion was traded through recaps, whereas this year about $1.3 billion will be in recaps.

"Investor demand has been created by lack of alternatives for yield, real estate as an asset class creating a strong inflation hedge, and increasingly inexpensive debt in particular for CMBS and transitional debt," says Adam Spies, senior managing director of Eastdil Secured.

Along with the upcoming sale of Worldwide Plaza, which should top $1.5 billion, the company is beginning marketing efforts for the Sony Building at 550 Madison Ave., which sources have said will be a sale and short-term leaseback until Sony can relocate. "While demand remains healthy, investors are still fairly cautious in their underwriting and are trying to remain disciplined," says Spies, declining to discuss either the Worldwide Plaza or Sony marketing.

Francis Greenburger, CEO of Time Equities, Inc. says, "We are seeing very high valuations, making it difficult for us to buy income properties." The company recently bid on some development sites without success.

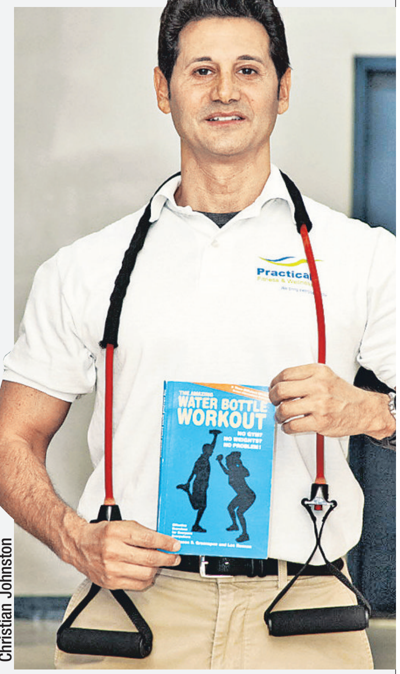
Higher rents in Midtown South are spilling over to the Bryant Park and Times Square South areas, making those buildings more attractive to investors.

Owner Paul Pariser, co-CEO of Taconic Investment Partners, says he feels good about the market. Taconic bought buildings years ago in the Meatpacking District and is still developing some new projects there; it is currently in contract to buy a Clinton-area Class B office building.

"New York is not an easy place to play, and sometimes pricing is more aggressive than we like," he says. "But you find something where you can increase value."

WORKING OUT YOUR NEEDS

Jason Greenspan brings the gym to the workplace



Christian Johnston

Besides bringing the gym to the office, Jason Greenspan has also authored several fitness books.

WHEN buildings have in-house gyms or pools, the operation and maintenance of those amenities usually fall outside the wheelhouse of the regular staff.

Jason Greenspan, president of Practical Fitness & Wellness, is capitalizing on the need for these services by providing staffing, maintenance and operations oversight for such health clubs and gyms, as well as personal fitness services to the building's tenants.

He also provides "corporate wellness" to companies. "Sitting in front of a computer for 10 hours a day can play havoc with [your] health," says Greenspan.

Greenspan initially works with architects to create a fitness club in oftentimes raw space by advising on the layout. Once a design is settled upon, he obtains bids from vendors and places the appropriate equipment.

"We oversee the job until it's finished," he says. "The space is there and we contact several different vendors for bids [on items] from mirrors to mats to equipment."

Greenspan is able to tailor his services as needed; for example, a building with a small gym may not need management services, but could want access to fitness services. These are then offered to residential, office and hotel occupants through the company's Fitness Concierge Services program. This pay-as-you-go amenity offers no charge at all to the building — instead, part of that revenue is actually paid back to the building.

When services are needed, his pre-screened massage therapists or trainers are sent to meet the individual at the gym or their apartment, office or hotel room, and it is the responsibility of the person to pay for the service.

"Because we are a boutique company, what distinguishes us is that I am personally involved — I frequent the clubs and we have 24/7 emails that we answer right away," Greenspan says.

This dedication is a result of Greenspan's 20 years of experience in the fitness industry. Having previously worked as a tennis pro, he became a personal trainer in 1994. "I worked in all the clubs in training and management. Then, eight years ago, I decided I wanted to offer more personal services with a higher level of quality control," he explains.

— Lois Weiss

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