Carlo Scissura on NYC building boom ... Page B1

REAL ESTATE WEEKLY

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DEALMAKERS

Kushner acquires $190M apartment community

Deal marks latest strategic move by company to bulk up its portfolio with high-return residential and commercial properties.
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Laurent Morali, president, Kushner Companies. B1

CONSTRUCTION

Annual search for top New York developments

ULI chairman Marty Burger (below) launches the Urban Land Institute's search for the city's best development projects.
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ENERGY

Mayor lays down new energy rules

Building owners to be compelled to make sharp reductions in greenhouse gas emissions or face financial penalties, permit hurdles.
Page A11

Pictured at the B'nai B'rith luncheon are Phyllis Weisberg, Montgomery McCracken Walker & Rhoads; Abraham Hidary; Harry Zlokower, Zlokower Company Public Relations.

Hotel investors have reservations as online bookings drive occupancy

By Christian Bautista

Independent hotels continue to gain ground against the Marriotts and Hiltons of the world. However, some investors remain on the sidelines, skeptical of the way independent players attract guests to their properties.

According to Hidrock Properties CEO Abe Hidary, his firm has stayed away from the independent hotel segment due to its dependency on Online Travel Agencies (OTA) such as Expedia and Travelocity.

"The engine that brings reservations is made up of a few pieces. But mostly, it's going to come from the Internet. The Internet, you can break up into two, it's going to come from the brand or it's going to come from the OTAs. A lot of people are going to log on the OTAs to book their stay. The OTAs are very, very expensive," he said during the B'nai B'rith Luncheon last week.

Hidary said that OTAs charge up to 22 percent of the room rate. Since independent hotels tend to lack the online infrastructure of their bigger competitors, they have little leverage to negotiate with OTAs, thus hurting their value proposition for operators.

"Hotels that don't have the big reservation system are bringing in as much as 50 to 60 of their guests through the OTAs. A Marriott or Hilton will bring 35 to 40 percent through their website and only rely on the OTAs for about 10 or 15 percent. They can also negotiate a better rate. Whereas you pay 20 percent if you're a boutique hotel to the

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LOCAL HEROES

By Christian Bautista

The Flatiron District is proving to be a safe haven from the city's retail slowdown.

According to a report from the Flatiron Partnership, the retail availability for the neighborhood in September stood at 5.6 percent.

The resistance of the neighborhood is mainly due to locally-owned businesses. According to the study, out of the 570 ground floor businesses operating in the area, 63.9 percent are owned by local companies. "As this report clearly demonstrates, Flatiron is a dynamic neighborhood with an irresistible mix of commercial and residential sectors," said Jennifer Brown, the executive of the Flatiron/23rd Street Partnership.

"Despite the challenging environment for brick-and-mortar retail across the country and New York City, we are excited to report that the retail landscape in the Flatiron District continues to thrive, and a wide variety of innovative retailers are continuing to set up shop in the neighborhood."

The Flatiron retail availability is lower than that of nearby areas. For instance, SoHo, which has taken the brunt of the retail slump with empty storefronts dotting the

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Kramer Levin's Real Estate, Land Use and Environmental groups hosted an evening of cocktails at 432 Park Avenue to celebrate the end of the summer. Kramer Levin's attorneys represented 432 Park Avenue, the tallest residential tower in the western hemisphere, during the City's approval process. Among the notable guests were Elizabeth Stribling, chairman of Stribling and Associates, Richard Kalikow, chairman and CEO of Gamma Real Estate, Leslie Himmel, co-managing partner of Himmel + Meringoff, and Mary Ann Tighe, CBRE's chief executive officer, New York Tri-State Region. The evening was capped off with a speech from Harry Macklowe, founder of Macklowe Properties, who was introduced by Jay Neveloff, chair of Kramer Levin's Real Estate Group. Pictured l-r: Michael Sillerman (Kramer Levin), Jay Neveloff, Harry Macklowe, Elizabeth Striblin, Richard Kalikow. *Photo by Steve Friedman*

Cohen sets stage for theater's comeback

By Linda O'Flanagan

Billionaire real estate developer and erstwhile movie producer Charles S. Cohen is set to restore another art house movie theatre.

Months after revitalizing and reopening the famed Quad Cinema in Greenwich Village, Cohen has purchased the Larchmont Playhouse in Westchester County.

Now he plans to turn the iconic theater at 1975 Palmer Avenue into one of the finest art house and repertory theaters in the northeast, featuring classic, foreign and independent films.

"The audiences for independent and classic films are underserved here in New York and largely throughout the country due to the steady decline in the number of screens as well as the aging infrastructure of the theatres that serve serious cinema lovers," said Cohen, president and CEO of Cohen Brothers Realty Corporation and a film buff who has produced such movies as *Frozen River,* starring Melissa Leo.

"I'm hopeful that my efforts to buy and upgrade movie houses of historical importance will have a positive impact in helping to begin to reverse that downward trend."

Larchmont Playhouse closed last September after a run of over 80 years. Cohen came to its rescue and purchased the three-screen movie theatre from IP UTP Larchmont LLC. after potential deals with a number of

CHARLES COHEN

local suitors failed.

Like the Quad, which earned the distinction of being New York City's first four-screen movie theatre when it debuted in 1972, Cohen plans bring the Larchmont back to its former glory.

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TRANSACTIONS

Meridian announced the following transactions:

• A new mortgage in the amount of $7,200,000 on a four-story, 24-unit multifamily property located on Rogers Avenue in Brooklyn, NY. The loan features an initial rate of 3.50% and a five-year term. **Morris Diamant** and **Jacob Rochlitz** negotiated this transaction.

• A new mortgage of $6,800,000 on an 18-unit multifamily property located on West 11th Street in New York, NY.The loan features a rate of 3.75% and a five-year term. This transaction was negotiated by **Zev Feder.**

• A new mortgage in the amount of $5,400,000 on a 30-unit multifamily property located on West End Avenue in Long Branch, NJ. The loan features an initial rate of 3.83% and a five-year term. **Avi Weinstock** and **Chaim Tessler** negotiated this transaction.

• A new mortgage of $2,400,000 was placed on a five-story, 22-unit multifamily property located on Luquer Street in Brooklyn, NY. The loan features an initial rate of 3.60% and a seven-year term. This transaction was negotiated by **Jacob Nefoussi.**

• A new mortgage in the amount of $1,700,000 on a 39-unit cooperative property located on West 114th Street in New York, NY. The loan features a rate of 3.65% and a 10-year term. **Michael Ryback** and **Judah Hammer** negotiated this transaction.

• A new mortgage of $1,000,000 was placed on a 26-unit cooperative property located on West 76th Street in New York, NY.The loan features a rate of 3.60% and a 10-year term. This transaction was negotiated by **Jay Schwerd** and **Nicoletta M. Pagnotta.**

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Brick Capital Partners LLC announced the following transactions:

• Through an affiliate entity, Brick Capital provided a first mortgage in the amount of $1,500,000. Located in the Mott Haven section of The Bronx, the collateral is comprised of a four-story walk-up apartment building that contains 28 residential apartments and 2 stores. The interest only loan was closed within 10 days of application.

• Through an affiliate entity, Brick Capital provided a blanket first mortgage in the amount of $1,550,000 to a private real estate group. Located in the Boerum Hill section of Brooklyn, the collateral is comprised of a vacant three story walk-up apartment building as well as partially occupied 4 story walk-up apartment building. The loan proceeds are to be utilized for the renovation of the buildings. **Marc Hershberg** of **Friedman-Roth Realty Services LLC** arranged the financing on behalf of the borrower.

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Dansker Realty Capital LLC, a direct lender, has provided a $650,000 acquisition loan to a professional real estate investor to purchase a fully occupied medical condominium unit in Brighton Beach, Brooklyn. The transaction was arranged by **Lowell Dansker**, Principal.

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Eastern Union Funding announced the following transactions:

• A $40,500,000 first lien mortgage for the refinance of a retail property on Manhattan Ave in Brooklyn, NY. This transaction was arranged by **Ira Zlotowitz** and **Meir Kessner.**

• A $7,250,000 first lien mortgage for the refinance of a 6-unit retail property on University Blvd. E in Hyattsville, MD. This transaction was arranged by **Marc Tropp** and **David Merkin.**

• A $3,290,000 first lien mortgage for the refinance of a 62-unit multifamily on Oxford Ave in Philadelphia, PA. This transaction was arranged by **Nate Hyman** and **David Metzger.**

• A $3,000,000 first lien mortgage for the refinance of a 54-unit multifamily on Bustleton Ave in Philadelphia, PA. This transaction was arranged by **Nate Hyman** and **David Metzger.**

• A $2,654,000 first lien mortgage for the refinance of a 6-unit multifamily on Madison St. in Brooklyn, NY. This transaction was arranged by **Mendy Pfeifer** and **Motti Blau.**

• A $2,070,000 first lien mortgage for the refinance of a unit retail property on Wilmington Pike in Centerville, OH. This transaction was arranged by **Chesky Gross.**

• A $2,000,000 first lien mortgage for the refinance of a 63-unit multifamily on Hamsted St in Fort Worth, TX. This transaction was arranged by **Moti Amsel** and **Ira Zlotowitz.**

• A $1,800,000 first lien mortgage for the refinance of a multifamily property on Woodbine St in Brooklyn, NY. This transaction was arranged by **Motti Blau** and **Mendy Pfeifer.**

• A $1,220,010 first lien mortgage for the refinance of a 4-unit multifamily on Underwood St. in Newark, NJ. This transaction was arranged by **Ira Zlotowitz.**

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GCP Capital Group LLC arranged mortgage financing in the aggregate amount of $30,455,000 for the following properties:

• $11,000,000 for a three-story multifamily apartment building containing 45 units, located in Jersey City, New Jersey. **Paul Greenbaum,** Managing Member of GCP Capital Group, arranged the financing for this transaction.

• $6,550,000 for a five-story multifamily apartment building containing 53 units, located on Ryer Avenue in the Bronx, New York. **Adam Brostovski,** Principal of GCP Capital Group, arranged the financing for this transaction.

• $5,250,000 for the acquisition of an existing commercial property to be developed into a ten-story condominium office building comprised of approximately 97,800 gross square feet, located on Queens Boulevard in Woodside, New York. **Matthew Albano,** Managing Director of GCP Capital Group, arranged the financing for this transaction.

• $4,655,000 for a garden style apartment complex comprised of four buildings with a total of 24 apartments, located in West Babylon, Suffolk County, New York. **Matthew Classi,** Managing Member of GCP Capital Group, arranged the financing for this transaction.

• $3,000,000 combined financing for two four-story multifamily apartment buildings containing a total of 22 units, located in the Brooklyn Heights and Park Slope neighborhoods of Brooklyn, New York. **Stephen Katz,** Senior Associate of GCP Capital Group, arranged the financing for these transactions.

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HKS Capital Partners arranged a $8.385 million loan for the refinance of a two-story medical office for New York Presbyterian Hospital on 187th Street in Flushing, Queens. The building is 12,000 s/f with a 4,000 s/f basement level. The non-recourse loan provided by Investors Saving Bank, features a five-year term at an interest rate of 3.75 percent. The transaction was negotiated by **John Harrington.**

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Houlihan-Parnes Realtors, LLC announced the following transactions:

• **Ed Graf** arranged a 1st mortgage re-financing for a two-story retail building. The property contains 12,500 s/f of rentable space, and is located at 400-422 East Sanford Blvd., Mount Vernon, New York. The non-recourse loan for $4,950,000 is fixed at 4.0% for five years with a 30 year amortization schedule. The borrower has a 5 year option. The loan can be prepaid with a declining prepayment premium at a descending rate

• **Ed Graf** arranged a 1st mortgage re-financing for a one-story strip shopping center. The property contains 12,600 s/f of rentable space, and is located at 3408-3418 Boston Post Road, Bronx, New York. The non-recourse loan for $2,125,000 is fixed at 4.0% for five years with a 30 year amortization schedule. The borrower has a 5 year option. The loan can be prepaid with a declining prepayment premium at a descending rate.

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Love Funding announced the closing of a $6.49 million loan for the refinance and rehabilitation of Orlando Cloisters, an age-restricted affordable community in Orlando, Florida. Orlando Cloisters is an 11-story building offering Section 8 efficiency and one-bedroom units to residents 62 years and older. The 101-unit community is located in a mixed-use neighborhood south of downtown Orlando. Love Funding Senior Director **Tammy Tate** secured the loans through the U.S. Department of Housing and Urban Development's 223(f) loan insurance program. The HUD program provided the development team with low-rate, non-recourse financing, $2.9 million of which will be used to provide non-critical improvements and upgrades to the property. The mortgagor is a non-profit that originally developed the property in 1984 with a HUD Section 202 mortgage. BREC Development, LLC will oversee improvements and upgrades to the property. The existing Housing Assistance Payments (HAP) contract will be terminated and replaced by a new 20-year HAP contract. The property will continue to be managed by SPM Property Management.

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Marcus & Millichap Capital Corporation announced the following transactions:

• A $1,300,000 loan for the acquisition of a six-unit multifamily building located on West 21st Street in the Chelsea neighborhood of Manhattan. The transaction was arranged by **Andrew Dansker.**

• A $1,300,000 loan to refinance two mixed-use properties in the Bushwick neighborhood of Brooklyn. The transaction was arranged by **Andrew Dansker** and **Matt Michelson.**

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Select Commercial Funding LLC announced the following closed transactions.

All loan transactions were negotiated by **Stephen A. Sobin,** President and Founder of Select Commercial.

• $5,950,000 blanket refinance of 29 small multi-family properties (4-5 units each) located in Troy, Ohio. The borrower received a 10-year fixed rate and a 30-year amortization. The loan was non-recourse and provided cash out to the owner.

• $1,000,000 refinance of a retail strip shopping center located in Huntington (Long Island), New York. The property contained 10 retail stores totaling 10,329 square feet of space located on a one-acre site. The property was 80% occupied at closing. The borrower received a 5-year ARM, 25-year amortization and no balloon payment.

• $2,700,000 refinance of a 6-tenant retail shopping center, containing 27,125 feet of space, located in Conroe, Texas (a suburb of Houston). The borrower received a 10-year fixed rate, 30-year amortization, and non-recourse.

• $1,750,000 cash-out refinance of a 5-family historic brownstone located in New York's Greenwich Village. The borrower received a 10-year fixed rate, 30-year amortization, and non-recourse.

$800,000 refinance of an owner-occupied office/warehouse located in Fairfield, New Jersey. The borrower received a 5-year fixed rate and a 25-year amortization. The loan allowed the owner to refinance maturing higher rate debt.

West Belt Plaza

Klein secures $18M for Jersey retail acquisition

Holliday Fenoglio Fowler, L.P. (HFF) announced the $18.7 million acquisition financing for West Belt Plaza, an 84,202 s/f, fully occupied retail center in the North New Jersey-area community of Wayne.

The HFF team worked on behalf of the borrower, The Klein Group, to secure the 10-year, fixed-rate loan through a life insurance company.

Renovated in 2001, West Belt Plaza is currently leased to a variety of national and local tenants, including PetSmart, HomeGoods, Fidelity Brokerage and Starbucks.

The center is situated on 8.13 acres at 57 State Route 23 in Passaic County just off the Interstate 80 and Route 46 Interchange, which is 22 miles from Manhattan.

Additionally, the property is adjacent to the Willowbrook Mall, the fourth largest mall in New Jersey. More than 68,800 residents earning an average annual income of $135,473 live within a five-mile radius of West Belt Plaza.

The HFF debt placement team representing the borrower included senior managing directors Jon Mikula and Jim Cadranell.

Holliday Fenoglio Fowler, L.P. and Holliday GP Corp, licensed New Jersey real estate brokers

The Klein Group manages 16 properties, among them are Warren Village Shopping Center, Eagle Rock Commons, Fidelity & Stew Leonard Center in Paramus.

Love closes $30M refi'

Love Funding, one of the nation's leading providers of FHA multifamily, affordable and healthcare financing, announced the closing of a $29.8 million loan for the refinance of Pimlico Apartments, a multifamily community in Pullman, Washington.

Pimlico Apartments offers 361 one-, two-, and three-bedroom market-rate units with private balconies. The apartments are located in 30 three-story buildings on a 17-acre site in walking distance of Washington State University.

The property was originally constructed in two phases in 2013 and 2014.

Love Funding Director Brian Robertson secured the loan through the U.S. Department of Housing and Urban Development's 223(f) loan insurance program. The HUD program provided the development team with low-rate, long-term, non-recourse financing.