

REAL ESTATE WEEKLY

JANUARY 22, 2016

HOME > BROKERS WEEKLY > **STUDYING THE FORM PRODUCES EAST VILLAGE WINNER**



Studying the form produces East Village winner

BY CHRISTIAN BRAZIL BAUTISTA • JANUARY 22, 2016

200 East 11th Street, a 53-unit, 12-story market rate rental building in the East Village, is contradicting the trend in a neighborhood that's giving way to a rising number of luxury condos.

The building, which recently underwent a \$12 million conversion, is targeting a somewhat neglected segment of wannabe-East Villagers, offering shelter to college students who want to escape cramped university dorms.

"We were literally pulling kids from across the street who live in NYU dorms because we can offer much better service to them and a much better living experience. And they can afford it," said Jordan Sachs, the president of real estate brokerage firm Bold New York, who is in charge of marketing units in the building.



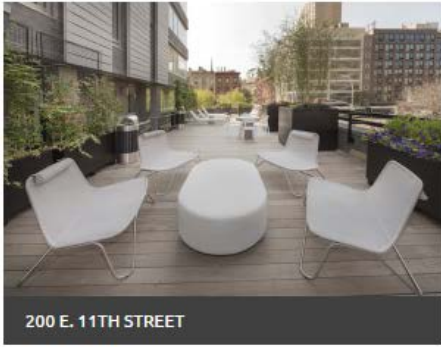
CHRISTIAN BRAZIL BAUTISTA

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“Instead of living in a dorm room, you have your own place that’s beautifully appointed and your location is near your school. And it has amenities.”

The amenities include a fitness facility, a yoga room, and a communal roof terrace.

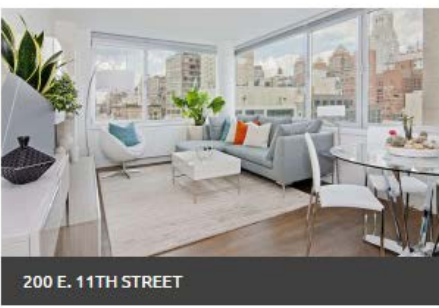
However, Jordan Vogel, the principal of development firm Benchmark Real Estate Group, said that he expects tenants to be drawn in by the basics, not the trimmings.



“A clean space is really important to the tenants and also their parents. And security, obviously, with the doorman,” Vogel said.

“We’re in the business of maximizing the rent-roll. There’s an incredible demand for well-renovated studios in this market because the vast majority of studios are rented to wealthy college kids.”

According to listings on Streeteasy, rent for the studio apartments start at around \$3,167 per month, then jumps to between \$4,625 and \$4,875 for one bedroom units. The price tag comes with what Sachs promises is a “private, boutique living experience” enclosed within 450 s/f and up.



“The beauty of what we’re doing here is we’re providing a really private boutique living experience with nothing missing from that, from gyms to yoga rooms to finishes and square footage. I think there’s value in living in a doorman building and feeling like it’s a private residence. You’re not seeing 10-15 people walking into the lobby at a time. I think there’s really value to that,” he said.

The building, which contains seven studios, 39 one-bedrooms and seven two-bedrooms, is mostly uniform inside.

All apartments contain gallery windows, walnut flooring, Fisher & Paykel, Bertazzoni and Bosch kitchen appliances, Lacava, Brizo and Toto bathroom fixtures and self closing drawers and cabinets. The only difference is, studio apartments do not have a washer and dryer.

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“You don’t get less for being in a studio, which, in a lot of buildings, you see them kind of cheap out on those things. (It’s the same level of finishes. (It’s the) same level of appliances,” Sachs said.

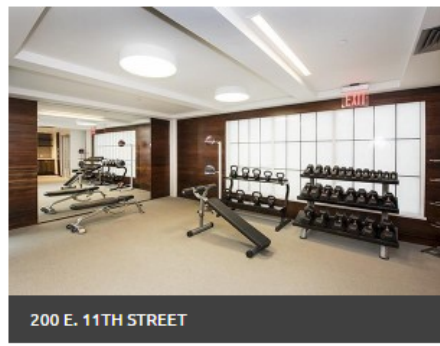
“Everything is equivalent, which was important. I think a lot of people lose sight of the studios. And in this particular market, there’s a high demand for it. We’re getting huge numbers for that. And that’s because we can show that we didn’t give you less because you only need a studio versus a one- or two-bedroom.”

The property, which contained 58 one-bedroom apartments when Benchmark bought it in December 2013, required four months of work. According to Vogel, the process required hurdling a number of hitches.

“It was built in 1986, so it was all-concrete construction. So we were limited in regards to reconfiguring apartments... The walls are solid concrete. A lot of them are load-bearing. It prohibits us from moving around walls freely,” he said.

“The other challenge was making a 1986 constructed building appear to be new construction. I believe that everyone who lives in New York City either wants pre-war or new construction. No one graduates from college and aspires to live in a building that was built in 1986.”

To remedy its 1980s origin, Benchmark invested a lot of money on the building’s facelift, which added to the already hefty \$57 million purchase price for the property. The result was a refurbished building that, as Vogel explained, fit their usual strategy of creating “neighborhood-specific” properties.



“We’re neighborhood-specific with regards to our renovations, so we try to cater to the tenants that are moving in here. And we’re very cognizant that the tenants who want to be in the East Village are looking for a sleek, modern look,” Vogel said.

“We also wanted it light and bright. A lot of the buildings in the area went with that darker, more kind of vintage-y look. It’s a light and bright market,” Sachs added.

The light and bright market includes one of the largest student population in the country. In the New York City area alone, there are more than half a million college students attending over 100 colleges and universities.

<http://rew-online.com/2016/01/22/studying-the-form-produces-east-village-winner/>