

# THE REAL DEAL

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## Extend, pretend: Was it good idea?

*Tactic used by banks may not deserve its bad rap*

By SARABETH SANDERS

Forget what you've heard: Extend and pretend isn't all bad. Many say the "pay-the-piper-later" approach helped prevent economic disaster from striking twice. For starters, aggressive write-downs by banks could have prompted a wave of bankruptcies. And with credit loosening, prices for distressed assets are now on the rise.

See story on page 16

## Sutton hides in plain sight

*Jeff Sutton amasses \$1B retail portfolio, quietly*

By ADAM PINCUS

When asked last month about investor Jeff Sutton, a spokesman for a major commercial brokerage innocently responded: "Who's that?" The question is telling for someone who has a portfolio, mostly of New York retail properties, that may be worth upward of \$1 billion. While Sutton is well known to a small circle of brokers, investment sales players and other high-level industry execs, what's surprising is just how many people in New York City real estate don't know him.

See story on page 32

The Manhattan residential real estate market has come a long way from the dark days of late 2008 and early 2009. But despite the moderate improvements, succeeding in the current climate remains far from easy. Many brokers and developers left the industry when the economy soured, and those that remain have no choice but to be on their "A" game.

This month, *The Real Deal* is recognizing people and projects in the industry



By CANDACE TAYLOR

*City's top industry pros, projects, perks and more*

that managed to have a stellar year despite the difficult economic conditions.

To compile this list, we conducted an online survey, receiving hundreds of responses.

We also got input from industry experts, gathered data from real estate listings site StreetEasy, and relied on our judgment as 24/7 industry observers.

Check out our picks for best all-around broker, best rookie broker, best new construction rental and best broker giveaways inside.

See story on page 36

## Sizing up distress funds

*A breakdown of the big players scoring troubled NY properties*

By C.J. HUGHES

A fierce race is on in the city to grab distressed real estate. This month, *The Real Deal* looked at which private equity funds are winning out. Goliaths like the Blackstone Group and Fortress Investment stand out, but smaller players like Square Mile, Beck Street Capital and Murray Hill Properties are holding their own too.

See story on page 58

## Holiday retail revival

*Strong shopping season could open retail expansion 'spigot' in city*

By ED LIEBER

Retailers have already posted impressive Black Friday sales figures. But there's still a long way to go this holiday season. The final results could determine whether city retailers will "open the spigot" on expanding again. Meanwhile, a look at the 25 biggest retail leases of the year, which were dominated by discounters.

SPECIAL REPORT

See stories on page 30

## FACT

French financial firm Société Générale agreed to take up to 560,000 square feet on Park Avenue in the largest lease of the year. See page 22.

## AT A GLANCE

**Modest rebound, but not for everyone**  
Sales data might look better these days, but real estate brokerages are experiencing another round of pain, as Blackstone Properties and Century 21 NY Metro can attest. See page 14.

## Gehry undone

Why is it that 8 Spruce Street, a silvery pylon formerly known as the Beekman Tower, seems so thoroughly sad and unimpressive? A review by James Gardner. See page 42.



## Wall St. + real estate: Together forever

The link between Wall Street bonuses and real estate sales isn't just broker lore, it's real, an analysis by *The Real Deal* shows. And the good news for brokers is that Wall Street will see strong profits this year. See page 24.

## Biggest brokerages in Queens, Bronx

We all know the big residential firms in Manhattan, but who rules across the Harlem and East rivers? See pages 50, 51.

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## Mosler reels in the big fish

See page 98.

## NYC's priciest pads

*The year's top 50 deals go to Wall Streeters, CEOs, international buyers and a few real estate titans*

By CANDACE TAYLOR

Many of this year's priciest deals involved bold-faced names like Carlos Slim, Elie Tahari and Conan O'Brien. But to get a better sense of how the overall high-end market is faring, *The Real Deal* compiled a list of the 50 most expensive sales of 2010 so far. And we uncovered a number of deals that haven't received much attention, like casino mogul Steve Wynn's Plaza penthouse flip. Nearly all the deals saw steep discounts, but it's all relative in the multi-million range.

### Buildings with priciest residential sales of 2010

1009 Fifth Ave.	\$44.0M
Trump Int'l	\$33.2M
Superior Ink	\$31.5M
The Plaza	\$28.6M
141 Prince St.	\$27.5M

See story beginning on page 38

## Swig: I was the fall guy

*Claims he stands to profit on famously soured deals*

By ADAM PIORE

Kent Swig says his critics have got it wrong. The developer, a poster child for the downturn, is trying to dispel the belief his empire has "crumbled." In an exclusive interview, he says he actually stands to make money at the project considered to be his biggest failure: the Sheffield. Are his claims true? See story on page 44

Office leases continued

Address	Size	Tenant / Representative	Landlord / Representative	Notes
55 Washington St (Dumbo)	1,650	Filicori Zecchini USA Corp. / Guido Pompili, Vivaldi Real Estate	Two Trees Management / Caroline Pardo, Two Trees	The ground espresso distributor signed a lease.
231 West 39th St	1,598	World Cross Culture Inc. / Arthur Spitalnick, Kaufman Organization	231/249 West 39 Street Associates / James Buslik, Jeffrey Buslik, Adams & Co.	The outerwear importer and manufacturer signed a two-year lease. The reported asking rent was \$35 per square foot.
237 West 35th St	1,495	TekConn Services Inc. / Nick Zagar, Adams & Co.	35th Street Associates LP / G. Greenspan, J. Perrotto, Kaufman Organization	The IT consulting firm signed a five-year lease. The reported asking rent was \$29 per square foot.
250 West 57th St	1,487	First Southwest Company / Michael Moorin, Newmark Knight Frank	W&H Properties / M. Arkin, G. Fabian, E. Silverstein, C&W	The financial services firm signed an expansion lease.
10 West 33rd St	1,407	Smooth Talk Inc.; BH Brands Inc. / David Levy, Adams & Co.	Ten West Thirty Third Associates / David Levy, Adams & Co.	The accessories companies signed a four-year lease. The reported asking rent was \$36 per square foot.
28 Adams St (Dumbo)	1,349	Gramercy Park Flower Shop / Aliza Weston, Legacy Real Estate	Two Trees Management / Caroline Pardo, Two Trees	The florist leased office space.
110 West 40th St	1,311	Suntex Global Sourcing Inc. / D. Levy, B. Maslin, Adams & Co.	One Ten West Fortieth Associates / D. Levy, B. Maslin, Adams & Co.	The business services firm signed a six-year lease. The reported asking rent was \$36 per square foot.
144 West 37th St	1,250	Alternative Healing Center / Sasha Majerovsky, Citywide Properties	n/a / Sasha Majerovsky, Citywide Properties	The holistic medicine center signed a five-year lease for part of the sixth floor. The reported asking rent was in the mid-\$20s per square foot.
570 West 204th St	1,250	Genial Management Inc. / Star Realty of Hollywood	570 West 204 LLC / H. Aaron, A. Gavios, Square Foot Realty	The medical tenant signed a long-term lease.
291 Broadway	1,200	Transit Technologies / Fenton Leung, GlenMark Realty	n/a / David Gomez, GlenMark Realty	The construction firm signed a five-year lease. The reported asking rent was \$35 per square foot.
189 Montague St (Brooklyn)	1,148	Correctional Educational Consortium / Ingram & Hebron Realty	The Treeline Cos. / Treeline Leasing; Ingram & Hebron Realty	The educational support services provider signed a five-year lease. The reported asking rent was \$29 per square foot.
20 Jay St (Dumbo)	1,109	Pacific Standard Watch Company / n/a	Two Trees Management / Caroline Pardo, Two Trees	The fashion accessories firm signed a lease.
125 Maiden Lane	1,100	Fischer Jordan / Michael Chow, NYCRC	Time Equities / Represented in-house	The financial consultants signed a lease.
55 Washington St (Dumbo)	1,072	Trilogy Lacrosse LLC / n/a	Two Trees Management / Elizabeth Cottrill, Two Trees	The sports programs organizer signed a lease.
1140 Broadway	1,050	Elke von Freudenberg / Fenton Leung, GlenMark Realty	n/a / Colliers International	The entertainment firm signed a five-year lease. The reported asking rent was \$35 per square foot.
415 West 50th St	1,000	Bulbtronics Inc. / David Hantman, Square Foot Realty	West 50th Street HDPC / D. Hantman, A. Gavios, Square Foot Realty	The lighting and theater equipment company signed a lease. The reported asking rent was \$66 per square foot.
1674 Broadway	1,000	Fellowship for the Performing Arts / Waite Buckley, Vicus Partners	Elo Management / n/a	The theater production company signed a three-year lease on the fourth floor.
180 Varick St	994	Bobsyouruncle / David Gomez, GlenMark Realty	n/a / Olmstead Properties	The fashion firm signed a five-year lease. The reported asking rent was \$35 per square foot.
180 Varick St	984	Olasul / D. Gomez, N. Zervis, GlenMark Realty	n/a / Olmstead Properties	The fashion company inked a five-year lease. The reported asking rent was \$35 per square foot.
20 Jay St (Dumbo)	977	Katherine Davies & Frederick Tang / n/a	Two Trees Management / Caroline Pardo, Two Trees	The architects signed a lease.
291 Broadway	910	Musika Inc. / Javon Johnson, GlenMark Realty	n/a / David Gomez, GlenMark Realty	The entertainment company signed a five-year lease. The reported asking rent was \$32 per square foot.
55 Washington St (Dumbo)	866	IK7 Records GMBH / n/a	Two Trees Management / Caroline Pardo, Two Trees	The music company signed a lease.
152 West 36th St	700	SUCARRA / Fenton Leung, GlenMark Realty	n/a / Falcon Properties	The entertainment company signed a three-year lease. The reported asking rent was \$38 per square foot.
365 Bridge St	650	Florentine Films / Ingram & Hebron Realty	1 Metrotech LLC / Ingram & Hebron Realty	The filmmaker signed a two-year lease. The reported asking rent was \$27 per square foot.
55 Washington St (Dumbo)	615	Seuntae Nam / n/a	Two Trees Management / Natalie Ungari, Two Trees	The artist leased studio space.
147 West 35th St	600	Green Stone Development / David Gomez, GlenMark Realty	n/a / Falcon Properties	The real estate firm signed a three-year lease. The reported asking rent was \$38 per square foot.
147 West 35th St	600	Smartweb / M. Picirillo, D. Gomez, GlenMark Realty	n/a / Falcon Properties	The software company signed a three-year lease. The reported asking rent was \$38 per square foot.
110 West 40th St	517	Sung Shin Trading USA Inc. / D. Levy, B. Maslin, Adams & Co.	One Ten West Fortieth Associates / D. Levy, B. Maslin, Adams & Co.	The wholesaler signed a three-year lease. The reported asking rent was \$36 per square foot.
124 East 107th St	500	King Penguin Properties / n/a	KPP 107th Street LLC / Represented in-house	The property management company signed a five-year lease.
291 Broadway	400	Teddy Gonzales / Renard Suggs, GlenMark Realty	n/a / David Gomez, GlenMark Realty	The security firm signed a five-year lease. The reported asking rent was \$35 per square foot.
252 West 38th St	400	Sam Seder / D. Gomez, E. Gendall, GlenMark Realty	n/a / Falcon Properties	The Internet company signed a three-year lease. The reported asking rent was \$38 per square foot.
45 Main St (Dumbo)	269	Katherine McDonald & Pasquale Bianculli / n/a	Two Trees Management / Caroline Pardo, Two Trees	The musicians signed an office lease.
110 West 40th St	208	Di Mazzone USA / D. Levy, B. Maslin, Adams & Co.	One Ten West Fortieth Associates / D. Levy, B. Maslin, Adams & Co.	The textiles company inked a three-year lease. The reported asking rent was \$38 per square foot.

## Retail leases

Address	Size	Tenant / Representative	Landlord / Representative	Notes
490 Fulton St (Brooklyn)	40,000	Filene's Basement/Syms / n/a	Eli Gindi; Crown Acquisitions; Perella Weinberg Partners / n/a	The department store signed a lease.
490 Fulton St (Brooklyn)	18,000	Planet Fitness / Crown Retail Services	Eli Gindi; Crown Acquisitions; Perella Weinberg Partners / Crown Retail Services	The fitness club chain signed a lease.
524 Broadway	15,000	Aritzia / Karen Bellantoni, RKF	Gap / Ariel Schuster, RKF	The accessories retailer subleased space through 2014.

## Retail leases continued

Address	Size	Tenant / Representative	Landlord / Representative	Notes
29 West 36th St	14,800	District 36 / M. Mulle, C. Cardinale, Sunburst Advisors	Broadway 36th Realty LLC / C. Abdo, M. Cooperstock, Winoker Realty	Nightclub operator New York City 36 LLC signed a 10-year lease. The reported asking rent for the space, which includes 6,000 square feet at ground level, was \$75 per square foot.
411-417 West 13th St	12,000	All Saints Spitalfields / n/a	Thor Equities / n/a	The clothing retailer signed a lease.
350 West Broadway	11,137	Nordstrom / Robert Cohen, RKF	n/a / P. Whitenack, R. Futterman, RKF	The department store signed a lease to open a new concept shop in the two-story retail portion of the residential condo building. Although launched by Nordstrom, the store will have little affiliation to the department store brand, according to a spokesperson for the department store.
218 Myrtle St (Brooklyn)	10,000	CVS / n/a	John Catsimatidis / n/a	The drugstore signed a lease for another location.
188 East 78th St	8,989	Fidelity Brokerage Services LLC / CBRE; Colliers Meredith & Grew	RFR Realty / Represented in-house	The brokerage services provider leased retail space on the ground and second floors. The tenant is relocating in spring 2011 from a second-floor space at 980 Madison Avenue.
1450 Rockaway Pkwy (Brooklyn)	7,800	Lott Stores / Zachary Mishaan, Winick Realty	Duane Reade / Z. Mishaan, A. La Centra, Winick Realty	The general retailer signed a lease.
3387 Broadway	7,300	Duane Reade / Ann La Centra, Winick Realty	Extell 601 West 137th Street LLC / Represented in-house	The drugstore signed a lease for another location.
20 East 63rd St	6,000	Tincati / L. Pomerantz, D. Harroch, PBS Real Estate	La Goulue / Marianne Thorsen, Sierra Realty	The menswear retailer signed a 14-year sublease. The building is owned by Albert Wu.
785 Flushing Ave	5,900	IHOP Restaurant / Allison Chambers, Kalmon Dolgin Affiliates	n/a / Allison Chambers, Kalmon Dolgin Affiliates	The restaurant signed a 20-year lease. This is the tenant franchisee's third IHOP in Brooklyn and the chain's fifth location in the borough overall.
509 Atlantic Ave (Brooklyn)	4,550	Roulette Intermedium / Steven Powers, Denham Wolf	YWCA / Ingram & Hebron Realty	The music and art venue signed a 20-year lease. The reported asking rent was \$50 per square foot.
600 Washington St	4,103	Sisu Fitness / Tim Parkkila, NYCRC	n/a / Craig Slosberg, Newmark Knight Frank	The gym signed a 10-year lease.
520 West 43rd St	3,750	Chop't / n/a	Gotham Organization / B. Cohen, J. Pennington, P. Garcia, Ripco Real Estate	The salad eatery signed a 10-year lease with a five-year option to renew.
255 West 36th St	3,500	Consulate General of Honduras / Sasha Majerovsky, Citywide Properties	Atlas Ventures / Represented in-house	The Consulate leased multi-level retail space. The reported asking rent for the 2,000 square feet at ground level was \$60 per square foot.
2178 White Plains Rd (The Bronx)	3,000	Amalgamated Bank / Kathy Zamechansky, NAI Friedland Realty	ComJem Associates / Kathy Zamechansky, NAI Friedland Realty	The bank signed a lease.
1405 Fifth Ave	3,000	Allison's on Fifth Inc. / Kathy Zamechansky, NAI Friedland Realty	Yuco Real Estate / Kathy Zamechansky, NAI Friedland Realty	The retailer signed a lease.
119 Spring St	3,000	Dash / Vince Sweeney, Northwest Atlantic	119 Spring St. / C. Peterson, K. Bellantoni, RKF	The clothing chain signed a lease.
706 Sixth Ave	3,000	Just Salad / J. Gettler, M. Gorman, New Street Realty Advisors	Whitehall Properties II LLC / D. LaPierre, S. Sjurset, CBRE	The salad eatery signed a 15-year lease for its sixth Manhattan location. The reported asking rent was \$175 per square foot.
961 East 174th St (The Bronx)	3,000	Broadway Curtains / Rick Stassa, NAI Friedland Realty	Cross Bronx Plaza / Rick Stassa, NAI Friedland Realty	The home furnishings retailer signed a lease at the Cross Bronx Plaza shopping complex.
120 Greenwich St	2,760	Tribeca Food Group / Michael Hayes, Boxers Realty	Senex Greenwich / M. Lu, J. Sarang, M Properties	The Chinese restaurant signed a lease. The reported asking rent was \$85 per square foot.
215 West 84th St	2,600	Scribble Press / Ross Kaplan, Newmark Knight Frank	Eagle Court / J. Maurer, J. Roseman, Newmark Knight Frank	The children's book retailer signed a 10-year lease. The reported asking rent was \$100 per square foot.
409-415 Fulton St (Brooklyn)	2,600	Shake Shack / n/a	Allied Property Group / Barry Fishbach, RKF	The burger chain signed a lease for its first Brooklyn location.
50 West 72nd St	2,529	CPW Tae Kwon Do / K. Lerner, C. Okada, Okada & Co.	The Ruxton Capital Group LLC / J. Mines, C. O'Tool, Tarter Stats O'Toole	The taekwon do school signed a new 10-year lease.
1392 Third Ave	2,200	Scotttrade / B. Zelner, Lansco Corp.; S. Savacool, Sansone Group	Third Avenue BT Inc. / A. Schuster, R. Gelber, RKF	The stock trading company signed a long-term retail lease. The reported asking rent was \$225 per square foot.
203 Fifth Ave (Brooklyn)	2,000	Comida Restaurant / David Chaiken, Sunburst Advisors	230 Fifth Ave LLC / David Chaiken, Sunburst Advisors	The restaurant signed a 10-year lease.
125 Livingston St (Brooklyn)	2,000	Jake's Wayback Burgers / Ray Villafana, Franchise Realty	The Sperry Family / T. King, R. Condren, E. Altschul, CPEX Real	The burger chain signed a 15-year lease for its first New York City location. The reported asking rent was \$55 per square foot.
199 Lafayette St	1,800	Canvas / Brett Nidel, Veracity Real Estate	Lafayette Center LLC / Brett Nidel, Veracity Real Estate	The retailer signed a lease.
		Square Foot Realty	A. Gavios, Square Foot Realty	was \$70 per square foot.
535 Madison Ave	1,610	Bric's / n/a	Park Tower Group / Represented in-house	The luggage retailer signed a lease renewal.
785 Ninth Ave	1,600	Brickyard Gastro Pub / Aaron Gavios, Square Foot Realty	n/a / A. Gavios, H. Aaron, Square Foot Realty	The restaurant/bar concept took over a lease.
409 Bleecker St	1,550	Zadig et Voltaire / J. Strauss, G. Covey, RKF	Abigail Westlake / Marc Finkel, RKF	The fashion retailer signed a long-term lease for its third Manhattan location.
625 Madison Ave	1,500	Eton / J. Lack, A. Yunis, Newmark Knight Frank	SL Green / J. Roseman, G. Gropper, Newmark Knight Frank	The Swedish fashion retailer signed a 10-year lease. The reported asking rent was \$850 per square foot.
1450 Second Ave	1,450	Go Burger / Steven Haber, Haber Realty	n/a / Steven Haber, Haber Realty	The burger restaurant signed a new 15-year lease.
359 East 204th St (The Bronx)	1,430	PLS Check Cashers of NY / Rick Stassa, NAI Friedland Realty	Rosewood Realty / Rick Stassa, NAI Friedland Realty	The check-cashing business signed a lease.
1200 Madison Ave	1,346	JOIE / Michael Leifer, Millennium Realty Group	1200 Tenant Corp. / B. Rosen, B. Singer, RKF	The women's fashion retailer signed a lease for its first U.S. store.
111-117 West 72nd St	1,300	Lovella Salon / Mark Oleszek, Signature Partners	Sterling 117 West LLC / Mark Kapnick, RKF	The hair salon signed a lease.
1169 Second Ave	1,200	Eastern Image Day Spa / Hal Shapiro, Winick Realty	EGE Associates / Hal Shapiro, Winick Realty	The spa signed a 10-year lease. The reported asking rent was \$110 per square foot.
737 Ninth Ave	1,200	Molloy's / Ross Kaplan, Newmark Knight Frank	n/a / D. Hantman, A. Gavios, Square Foot Realty	The restaurant and bar took over a lease.
32 Adams St (Dumbo)	1,183	Gramercy Park Flower Shop / Aliza Weston, Legacy Real Estate	Two Trees Management / Caroline Pardo, Two Trees	The florist signed a lease.