

NEWS

\$15M Riverside sale closes

Massey Knakal has sold a six-story multifamily apartment building at 920 Riverside Drive for \$15,675,000.

Robert Shapiro, the first vice president of sales who exclusively handled the deal with Paul Smadbeck, said the property is among the prime residential assets in northern Manhattan.

"Previous ownership meticulously cared for this building and it is evident that no short cuts were taken while maintaining countless building-wide improvements. 920 Riverside is a trophy property any multi-family landlord would be proud to own."

The block-front building takes up the entire block from 162nd Street through 163rd Street along Riverside Drive and offers views of the Hudson River and the George Washington Bridge from the ground floor up.

The sale price represented approximately \$187 per square foot and \$225,000 per unit.

Bosse lands luxury deal

The Pearlman Soap Factory, The Fairchild and 441 E57th — and their residents — are going to get the TLC they deserve.

It was announced this week that the property management firm Bosse LLC will represent the three luxury buildings.

Comprised of three property management divisions, Bosse offers clients a combination of building management and lifestyle concierge services, construction and contracting, as well as conventional brokerage.

Bosse principal Michael J. Pligavko has represented some of the most notable names in real estate across New York City, Nantucket, Atlanta and Fairfield County markets.

Barking up the right tree

Pet-friendly Magnum Real Estate Group will welcome the New York dog boutique Petopia to the base of its newly-constructed 420 East 14th Street.

Winick Realty Group just leased a 1,400 s/f retail space at the condo to the pet specialists, who have two other locations in Manhattan.

"We're very pleased to have represented ownership in this transaction," said Lori Shabtai, executive vice president of Winick Realty Group, who represented Magnum with her associate Michael Gleicher.

Winick also represented Magnum in a deal to bring Halo Air, a beauty spa and salon, to 133 West 22nd Street, a newly-completed luxury residential building in Chelsea.

Monster takes Manhattan

Rental startup planning to give Craigslist a run for its money with NYC expansion

By JASON TURCOTTE

A relatively young startup is giving Craigslist a run for its money. Or that's the plan, at least.

After nearly eight years in operation Boston-based www.RentalBeast.com is poised for expansion into other metro-

Grinberg got his real estate start as a rental broker in New York City handling deals for a small boutique firm no longer in business. He said his experience working in that capacity taught him a lesson: that the middleman of a broker is unnecessary in the rental market.

We started out with a reduced brokerage model and, over time, the main mission became building the ultimate rental database.

Since relocating to Massachusetts, he's been focused on grooming his startup as essentially the MLS of rentals — a Web site negating the need for a broker. And the once regional database is ready to roll out its expansion into new markets, beginning in New York and followed by Philadelphia and Washington, D.C. and, eventually, the West Coast.

While Grinberg is exploring new revenue streams that could replace fees levied to tenants using the site, the

company currently offers three price plans to select from ranging from \$29 to \$250 depending on their desired level of services. Rental Beast offers all its services free to landlords but the site has a strict no-brokers-allowed policy.

"We have zero brokers," Grinberg said. "Every single apartment we have comes directly from the landlord or the property manager."

Grinberg believes his enterprise doesn't hurt the brokerage community but merely weeds out the less professional ones. He claims that, oftentimes, those handling rentals are less experienced trainees or agents who couldn't hack it in sales. The site provides landlords hassle-free negotiating directly with prospective tenants, he touted.

Grinberg said Rental Beast offers more robust tools for landlords to vet tenants. With vacancy rates rising in all major cities, landlords are seeing the benefit in resorting to new online databases, and the site allows landlords to conduct credit checks for approximately \$15.

And for renters, Grinberg's providing an alternative to listing giant Craigslist, which he feels is plagued by a lack of accountability. Brokers using the site often post misleading advertisements of properties claimed to lie in more desirable markets simply to boost ad traffic. Craigslist has proven cumbersome to tenants due to the number of duplicate listings on the site. "The list is extremely watered down," he said.

While anonymity breeds dishonesty on sites like Craigslist, Grinberg said renters won't find smoke and mirrors on Rental Beast, which has tripled its database size over the last 12 months.

Tenants have access to exact addresses of listing, as Grinberg noted location is the most important element of the apartment search process. Users can also search units based on the most specific of information including pet policy, lead paint removal, off-street parking and more. And, unlike its competitors, Rental Beast does not list apartment shares.

According to Grinberg, 95% of its users find an apartment within two weeks of initiating membership.

Grinberg used his commissions as a New York rental broker to save \$20,000 to launch the startup several years ago. With the six-person company posting net profits of \$100,000 in 2008 — and a buyers market that has owners clamoring for more efficient means of renting (without footing the bill of a broker) — he believes it's a matter of time before Rental Beast begins rubbing elbows with the listings Goliath known as Craigslist.

politan markets — New York included — as the broker-free site champions itself as a money saver for both landlords and tenants.

"We started out with a reduced brokerage model and, over time, the main mission became building the ultimate rental database," said Ishay Grinberg, president of Rental Beast.

— ISHAY GRINBERG

People power flexes its muscles in Stuy Town

By JOHN MAJESKI

Tenants of the beleaguered Stuyvesant Town / Peter Cooper Village have retained lawyers as the residents mull making their own bid for the property.

Law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP will work pro bono to help the tenants association meet its goals of preserving the property's long-term affordability and ensuring adequate maintenance.

"If anyone thought the tenants were not a force to be reckoned with at the bargaining table, they will now realize that we are serious, we are organized, and we have the resources we need to determine our own destiny in this process and ensure we are treated fairly," said Al Doyle, president of the Association.

Paul Weiss has been involved in some of the biggest real estate issues of recent years, from representing creditor groups in the chapter 11 reorganizations of Lehman Brothers, General Motors and GMAC to representing clients in the West Side and Atlantic Yards developments and the lease and redevelopment of the World Trade Center site.

Meredith J. Kane, a partner in the Paul Weiss real estate department, said, "We believe that the tenants are the key to a successful solution to the ownership of this iconic housing complex."

Meanwhile, experts speaking at the

B'nai B'rith luncheon last week said Tishman Speyer's Stuyvesant Town debacle will impact the real estate industry for a long time to come.

The owners group turned the property over to creditors last month in order to avoid bankruptcy after defaulting on \$3 billion in debt. Panelists discussed the soured deal that has been blamed on bad underwriting, easy loans and poor market timing.

Tishman Speyer and BlackRock Realty had purchased the complex from MetLife for a record-setting \$5.4 billion in 2006. The 110-building complex, however, is said to be valued at only \$1.8 billion today.

The market took an unprecedented downturn starting in 2008, but the numbers on the deal never worked out from the get-go, according to panelists, who noted that the success of the development had hinged on deregulating too many apartments in too little time.

Attorney Alex Schmidt, who represented the tenants in litigation involving deregulation, said future deal-makers should take another kind of message from the debacle.

"Factor in the human factor," he cautioned. "People have rights and voices. Once people realized what the business model portended for them, they rallied against it."