

TEAM DONOVAN

B6 Case Study



MULTIFAMILY

The Rego Park 18 Portfolio

SALE PRICE

\$150,000,000



CHALLENGE

In early 2019, we were retained to arrange for the sale of an 18-building, rent-stabilized multifamily portfolio in the midst and wake of the largest seismic shift in the history of New York rent regulation. The harsh reforms would significantly limit, if not altogether eliminate, the upside, investment outlook, and overall value of all stabilized apartment buildings, creating downward pressure and extreme volatility throughout the entire sale process.

ACTION

The team strategically focused on the meticulous management of the property and highlighted the additional development and conversion potential on site. We had the Seller engage a zoning expert to provide various development schemes and stacking options, as well as order a comprehensive DHCR rent study which allowed us to back-up and cross reference all rent figures and historical rent increases with physical lease files, cancelled checks, receipts, etc. The property was family-owned for over 75 years and across 3 generations, so Seller expectations needed to be carefully and constantly managed; this was achieved through weekly video conference calls, supported by real-time analysis, metrics, and commentary on all offers and summaries of all market feedback and concerns. Multiple contracts were sent out, and a contract was fully executed just two weeks prior to the mid-June ruling.

RESULT

After several market pricing adjustments, and despite a plunging market along with industry-wide skepticism, we were able to close this landmark and unprecedented sale, between a first-time Seller and an institutional, sophisticated Buyer. The final sale price of \$150,000,000 represented the second largest portfolio sale in 2019 in all of New York City and the single largest rent-stabilized multifamily sale since the mid-June rent reform.

FOR MORE INFORMATION OR IF YOU WOULD LIKE A BROKER OPINION OF VALUE FOR YOUR PROPERTY, PLEASE CONTACT:

THOMAS DONOVAN
Partner, Vice Chairman
917.566.1384
tdonovan@b6realestate.com

EUGENE KIM
Director
646.933.2637
ekim@b6realestate.com

TOMMY LIN
Director
646.933.2636
tlin@b6realestate.com

ROBERT RAPPA
Director
646.933.2640
rrappa@b6realestate.com

BRAD RUTKIN
Associate
646.933.2656
brutkin@b6realestate.com

TEAM DONOVAN IS NEW YORK CITY COMMERCIAL REAL ESTATE

[CLICK HERE TO REGISTER FOR OUR INVESTOR PORTAL!](#)

B6 REAL ESTATE ADVISORS
1040 Avenue of the Americas 8th Floor
New York, NY 10018
B6REALESTATEADVISORS.COM

