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NYC population climbing as fast as rents

By CHRISTIAN BAUTISTA

Recently, New York City gained the distinction of being the most expensive place on planet Earth.

In spite of prices for goods and shelter climbing to unprecedented

heights, and evidence continuing to mount that ordinary New Yorkers are unable to keep pace, some experts are saying that the flow of residents in the city is shifting, moving heavily inward instead of indicating an

exodus. “That dynamic of when you grow up — either your company grows up or you grow up and move out of the city — has completely reversed,” David Ehrenberg, the President and CEO of the Brooklyn

Navy Yard Development Corporation, said in a panel discussion during the Appraisal Institute’s Annual Conference over a week ago.

“It just represents that people want to live and work in New

York.”

According to census data from last April, the number of people in the city has grown to almost as high as the population projection for 2020.

For 2014, the city’s population was at 8,491,079, just 59,892 people less than the expected 2020 population. The growth in the population happened in spite of a drastic jump in rental prices.

According to a market report from Douglas Elliman, in May of 2014, the average rent in Manhattan climbed to what was then a record high of \$3,902 per month. Benjamin McGrath, the executive vice president and CFO of Edward J. Minskoff Equities, predicts that the effects of New York City’s affordability problem may kick in at a slower rate.

“It’s possible, over the next 10 years, that we see a new migration

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Pictured l-r: Michael Rudin, Rudin Management Company; Sacha Zarba, CBRE; Andrew Kimball, Industry City; Lois Weiss; David Ehrenberg, Brooklyn Navy Yard Development Corporation; Theresa Nygard, KTR Real Estate Advisors; Jennifer Klein, Cornell Tech; Benjamin McGrath, Edward J. Minskoff Equities; Chapter President Sharon Locatell, Appraisers and Planners.

Charter school boom spawning new real estate business

By HOLLY DUTTON

A New York-based property manager is scoring top marks for getting ahead of the city’s charter school boom.

Despite having 197 charter schools and a further 14 in the pipeline, AKAM Living Services — a company that has specialized in residential property management since 1983 — said the city has no

professional school facility management companies.

Seeing a niche in the market, the company formed the Ashtin Group, a branch of AKAM that focuses entirely on managing all aspects of school facilities.

“We can do for schools what we can do for commercial properties,” said Ajo Kurian, vice president of the

Ashtin Group. Since the branch opened in 2010, the company has grown to manage a dozen schools to date. Working with a mix of owners, they manage schools in Manhattan, Brooklyn, and in Newark, New Jersey.

Kurian said with the number of new schools opening in New York City, there is a demand for a company

like Ashtin, which offers a thorough management of the buildings’ facilities.

“When we come to a new client, they recognize that they can focus on education, and now they have us to focus on the facilities,” said Kurian.

“And it’s being maintained correctly so they don’t get additional payments, which was the case in a lot of properties.”

Ashtin’s services take care of everything “from the roof to the basement,” including

mechanical and technical systems, heating and cooling systems, and designing a management plan for the systems, which includes maintenance and preventive maintenance of the systems. With many

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Brooklyn retail by the numbers

By DAN ORLANDO

The residential and commercial growth in Brooklyn has not gone unnoticed by The Real Estate Board of New York which just launched its first ever Brooklyn Retail Report.

The study will analyze ground floor asking rents in 15 of the borough’s top retail corridors.

“If there’s one thing that I’ve learned during my short time at REBNY, it’s that Brooklyn is hot as hot can be,” said John Banks, who took over as president of REBNY this summer.

Speaking at a press confer-

ence to announce the launch of the Brooklyn Retail Report at La Défense Bakery and Bistro in Metrotech Center pointed to the arrival of large-scale flagship stores, such as Adidas’s 8,700 s/f Fulton Street outlet, as signs of its retail boom.

“It would not surprise me if other large retail establishments continue to come to the borough,” he continued. “The neighborhoods throughout Brooklyn provide a great opportunity to plant a flag and build a retail customer base.”

Banks and his team went on to discuss the overall draw

of the lower borough and cited the rapidly shifting demographic pool in many of its neighborhoods as a windfall for retailers.

Stores can pay cheaper prices per square foot while hanging their shingle up in areas that house the same target market of shoppers that Manhattan is known for.

“REBNY’s Brooklyn Retail Report recognizes the emergence of the borough’s real estate market and the ever-growing interest in Brooklyn from a broad spectrum of tenants ranging from national retailers to thriving local

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Daun Paris, one of the leading ladies of New York City real estate, was the guest speaker at the Commercial Real Estate Women luncheon held at Club 101 last week. Eastern Consolidated was founded in 1981 by Paris, president, and Peter Hauspurg, chairman and CEO. Today, the company employs 110 people, including 75 brokers who speak over a dozen languages. With the company on course to close \$3 billion in sales this year, Paris told the audience, “We have learned how important it is to keep moving forward and never to be complacent, because regardless of how well things are going at the moment, the one thing certain in real estate, is that you always need to keep a seatbelt handy for when the ride gets a bit bumpy, because at some point down the road, it always does.” Paris is pictured above (left) with Jane Lyons, managing partner of Rhodes Associates and co-president for CREW New York

DEALS & DEALMAKERS

Richard Mack (right) and the developers reaching for the skies. **Page B1**



CONSTRUCTION & DESIGN

Work on the new Brooklyn Marina (right) is expected to finish next month. **Page B7**



RESIDENTIAL

Developers can’t build fast enough as home prices hit new high in Brooklyn. **Page C5**

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