



145 HENRY STREET & 15-19 WYCKOFF STREET

### OVERVIEW

- ▶ 145 Henry St and 15-19 Wyckoff St Brooklyn, NY
- ▶ 83 Unit Value Add Multifamily
  - ▶ Henry St, 43 Unit Elevator Building
  - ▶ Wyckoff St, 40 Unit Walk-Up Building
  - ▶ ~33% Rent Regulated
- ▶ +/- 66,500 SF total
- ▶ Seller Representation
- ▶ Approximate in place cap rate of 3.2%
- ▶ Sale Price: \$36,650,000 (\$550/SF)

### THE CHALLENGE

This assignment began in the midst of discussions regarding the upcoming renewal of the New York rent laws. There was a unanimous sentiment across the market that the laws would move in an unfavorable manner for land lords but the details were still unclear. Many investors decided to take a “wait and see” approach while other’s that remained active seemed to take a drastically more conservative approach. Ownership also leaned to the side of caution and wanted to sell the assets before the rent laws were renewed as it did not seem the market would get better in time. It was vital to her that the ultimate contract to sell the property had no room for the purchaser to exit the deal or re-trade price when the new laws were ultimately determined. The laws were set to change on June 15th which was expected to be in the middle of the closing timeline even with an expeditious process.

### THE CLIENT

Lee & Associates NYC represented the seller, a second-generation owner/operator who wanted to retire and get out of the real estate business.

### OUR APPROACH

The Lee team orchestrated blocks of time to tour both properties and ultimately arranged for over 60 tours in the first two weeks of the process. The intent here was to generate velocity and keep up momentum in a seemingly fleeting market. This put them in a position to negotiate in real time with several groups simultaneously. This enabled the seller to negotiate with confidence that they were making the best deal the market could bear. Once a contract was issued, the team worked diligently with the seller’s council to ensure this deal would close regardless of what happened when the rent laws renewed.

### THE OUTCOME

About half way through the closing process, news broke of the new rent laws and it was far worse for landlords than anyone had imagined. Multifamily assets in New York lost considerable value in an instant. However, because the seller was prepared with an ironclad contract, the deal closed on time and at full price.