

THE REAL DEAL

Tenants suing ██████ gets 40 percent off

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By Sarah Ryley

Eight rent-stabilized tenants who sued ubiquitous landlord ██████ Group for shoddy living conditions at its Riverside Drive condominium conversion are now buying apartments there at a 40 percent discount under a recent negotiation with the landlord, said the tenants' attorney.

The attorney, Adam Leitman Bailey, said judges commonly award victorious tenants in such cases with rent credits of around 10 to 20 percent for each month of living under a state of disrepair.

Instead, the case was withdrawn after ██████, owned by Joel Weiner made an out-of-court agreement to let all tenants in the building buy their apartments for 40 percent less than the "free market" price listed three months ago when the agreement was made, along with a \$1,000 down payment.



668 Riverside Drive

"I told them this is an excellent opportunity to own an apartment," Bailey said.

In addition, he said ██████ has made most of the 45 repairs at 668 Riverside Drive that were listed in the lawsuit, which was filed last summer, and is in the process of completing the rest.

"██████ always disputed that there were any hazardous conditions as set forth in the lawsuit," said Kenneth Fisher, an attorney for ██████. "The upshot was that some repairs were done by ██████ and some money was put into a reserve fund so that the condo association could make the repairs themselves."

Fisher added, "Getting a discount on the apartments was more than what they would have gotten in court, because they might have gotten nothing."

The agreement could be viewed as a win-win for ██████, given the difficulty of selling properties in Upper Manhattan. Transactions there dropped up to 90 percent since the previous quarter, according to Streeteasy.com. In an effort to lure buyers, numerous brokers have said they are slashing prices, and must accept offers even below the discounted asking price to close the deal.

But Amy Casey, a Barak Realty sales associate marketing apartments in 668 Riverside Drive, at 144th Street, said 40 percent off is a good deal.

She said ██████ is making deals on the building's market-rate units, "but they're not dropping prices 40 percent, that's for sure."

"It was a very respectful and fruitful dialogue and price negotiation with Mr. Bailey and his clients," Weiner said through Fisher.

The building is one of at least seven in the area that ██████ has controversially sought to convert from

rent-stabilized into market-rate condo. The conversion is a non-eviction plan in which apartments are renovated and marketed for sale as tenants vacate them.

Two apartments have closed in the 64-unit building, including the first discounted tenant sale, a 582-square-foot one-bedroom for \$141,120. Besides the other discounted tenant sales, Casey said four more are in contract.

Five are on the market for between \$195,000 for a 315-square-foot studio and \$579,000 for an 844-square-foot two-bedroom.

While the apartments she's marketing are gut renovated, including all new electric wiring and plumbing, the ones bought by tenants were not, although Bailey said "any necessary repairs that were requested" by the tenants were made.

██████████ is one of the city's largest landlords, having purchased hundreds of apartment buildings this decade, including 104 from landlord Baruch Singer for more than \$500 million in 2005. Recently, the company has been shedding some of its portfolios.

██████████ is also named in a high profile, federal lawsuit that alleges the company engaged in unlawful eviction practices in an effort to boot tenants from 5,000 of its 21,000 apartments citywide. ██████████'s attorney Fisher said that suit is still pending.