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A Condo Toughens Its Stance and Tightens Its Belt

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GALVANIZED by a rash of arrears, the St. Tropez — a 34-year-old 301-unit condominium on East 64th Street and First Avenue — scrambled into battle station mode last year.

"We've had maybe one or two arrearages on a regular basis since 2006 when I got on the board," said Marc Held, a member until December. "And then last year it went to 10 or 12 who were 60 days past due, a five- to tenfold increase. I don't think there was any particular pattern — they were mostly unit owners who have fallen hard in this economy."

Breaking from a longstanding posture of leniency, the board directed its lawyer, **Adam Leitman Bailey**, to file liens after three months of nonpayment. Almost everyone paid.

The board also began collecting one or two years' worth of common charges in escrow from buyers with less than stellar credit histories. (One has since defaulted.)

"We also found new ways to generate revenue," Mr. Held said. "We found extra space in the basement and created 43 storage bins and rented them out to unit owners.

"We also converted space behind the security desk into office space for a podiatrist, and the commercial rent out of that has been amazing. We changed our bulbs to more energy-saving fluorescent bulbs and took one bulb out of every fixture, which saves us $20,000 a year in electricity. And we changed our managing agent — they're 35 to 45 percent cheaper than our old one."

Still, Mr. Held is chilled by what the St. Tropez's arrearages portend for the city at large.

"We have some of the lowest common charges — they range from $400 for a one-bedroom to $1,200 for a three-bedroom — and so many people here have so much equity in their apartment.

"People in other buildings have a lot more taxes, less equity and higher common charges. What we're going through has to be just the cusp of what's going on in Manhattan."

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