

## Avdoo & Partners in contract to buy fire-damaged Boerum Hill site from Hidrock



**Avdoo & Partners Development through the entity Cobble Hill Owner LLC signed a contract** this month to buy two former retail properties at 96 and 110 Boerum Place in Boerum Hill, Brooklyn from Hidrock Properties through the entity 110 BP Property LLC for an undisclosed price. The closing date was also not disclosed.

The deal closed on February 23, 2023 and was recorded on February 27, 2023. The two properties have 34,880 square feet of built space and 3,200 square feet of additional air rights for a total buildable of 38,080 square feet according to PincusCo analysis of city data.

The signatory for Hidrock Properties was Abraham J. Hidary. The signatory for Avdoo & Partners Development was Shlomi Avdoo using the name Shlomo Avdoo. The properties have a loan of \$19,236,951 from Signature Bank provided in 2020. The buildings were both two-story structures and filled the entire block front on Boerum Place between Pacific Street and Dean Street.

A five-alarm fire in March 2022 severely damaged the mixed-use buildings which included residential apartments and a gym. On September 7, 2022, Shlomi Avdoo filed a permit application for the demolition of the two buildings. At the time, a person familiar with the plans said Avdoo was a consultant for the redevelopment. Hidrock planned to rehabilitate the site as a mixed-use property, a person familiar with the property said. Hidrock acquired the two properties for \$30.5 million on January 24, 2017.

Because multiple properties have been transacted, some of the following sections will follow the property with the largest assessed value, which in this case, is the property on 110 Boerum Place.

### Prior sales and Revenue

Prior to this transaction, Pincusco has records that the buyer Avdoo & Partners Development purchased four properties in two transactions for a total of \$44.4 million and sold one properties in one transactions for a total of \$13.1 million over the past 24 months. The seller Hidrock Properties had not purchased any other properties and sold 11 properties in 10 transactions for a total of \$36.4 million over the same time period. The former owners according to the Department of Housing Preservation and Development includes Abraham Hidary, head officer and Joseph Aizer, agent. The business entities are Strivers Management Group Corp. and 110 Boerum Place. The two properties with a total of 34,880 square feet of built space generated revenue of \$2.2 million per year or \$64 per square foot. The sale price per square foot was 0.0.

### The property

The 110 Boerum Place parcel has frontage of 136 feet and is 100 feet deep with a total lot size of 14,240 square feet. The lot is irregular. The zoning is R6B which allows for up to 2 times floor area ratio (FAR) for residential with inclusionary housing. The city-designated market value for the property in 2022 is \$8.3 million. The most recent loan totaled \$18.3 million and was provided by Signature Bank on December 16, 2020.

### Violations and lawsuit

There were no lawsuits or bankruptcies filed against the properties since September of 2020. In addition, according to city public data, the properties have received four DOB violations, \$12,500 in ECB penalties, 12 housing violations, and \$12,580 in OATH penalties in the last year.

### Development

For the tax lot buildings, two out of the two buildings received a initial certificate of occupancy in the last ten years. There are no active new building construction projects or major alteration projects with initial costs more than \$5 million on this tax lot.

### The neighborhood

In Boerum Hill, the bulk, or 33 percent of the 9.2 million square feet of commercial built space are elevator buildings, with mixed-use buildings next occupying 16 percent of the space. In sales, Boerum Hill has near average sales volume among other neighborhoods with \$322 million in sales volume in the last two years and is the 23rd highest in Brooklyn. For development, Boerum Hill has 1.3 times the average amount of major developments relative to other neighborhoods and is the 13th highest in Brooklyn. It had 1.3 million square feet of commercial and multi-family construction under development in the last two years, which represents 14 percent of the neighborhood's built space.

### The seller

The PincusCo database currently indicates that Hidrock Properties owned at least nine commercial properties in New York City with 114,245 square feet and a city-determined market value of \$30.6 million. (Market value is typically about 50% of actual value.) The portfolio has \$119 million in debt, with top three lenders as Citizens Bank, Ladder Capital, and Emerald Creek Capital respectively. Within the portfolio, the bulk, or 37 percent of the 114,245 square feet of built space are elevator properties, with retail properties next occupying 31 percent of the space. The bulk, or 77 percent of the built space, is in Brooklyn, with Manhattan next at 23 percent of the space.

### The buyer

The PincusCo database currently indicates that Avdoo & Partners Development owned at least eight commercial properties in New York City with 69,244 square feet and a city-determined market value of \$11.3 million. (Market value is typically about 50% of actual value.) The portfolio has \$47.7 million in debt, with top three lenders as Bank Leumi, Kearny Bank, and First Republic Bank respectively. Within the portfolio, the bulk, or 49 percent of the 69,244 square feet of built space are elevator properties, with industrial properties next occupying 27 percent of the space. They are all located in Brooklyn.