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## Fairfield Towers Brooklyn, New York

### Marketing of 983 unsold residential condominium units



- Savills represented The Lightstone Group in the highly successful sale of 983 unsold residential condominium units at Fairfield Towers, a 19 building residential apartment property located in the East New York section of Brooklyn, New York.
- Fairfield Towers had been converted to condominiums in 1991, but only 167 of the complex's 1,152 units had been sold by the original sponsor.
- Lightstone bought the remaining unsold units in 1999 and continued to operate them as rental units.
- By 2005, the surrounding neighborhood had improved and housing prices had increased to the point where re-offering the unsold units became economically viable. Although the condominium regime already existed and a valid condominium offering plan was still in effect, Lightstone, an experienced operator of rental properties with little experience in the for-sale business, decided to offer the units in bulk rather than attempt to market the units to end users itself.
- The offering faced a number of challenges:
  - The 167 existing unit owners, not Lightstone, controlled the Board of Managers of the condominium.
  - Litigation remained outstanding between Lightstone and the Board regarding the operation of the property.
  - Litigation was ongoing between the condominium association and a union representing the property's employees.
  - Many buyers had a pre-conceived negative perception of the surrounding area.

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- A buyer would inherit a number of items of deferred maintenance as well as the need to upgrade unit interiors.
  - Due to the absence of an established condominium or coop market in the immediate area, there were no meaningful condominium sales comparables.
  - Stressing the rapidly improving area dynamics and the enormous pent-up demand in the market for moderately-priced owner-occupied housing, Savills was able to generate intense interest in the offering from a broad spectrum of local, regional and national buyers. To maximize value for the seller Savills encouraged offers on both an outright sale basis and on a joint venture basis in which the seller would receive a portion of its value via a participation in the proceeds from the condominium sales.
  - Savills US closed the sale in Spring 2006 to Taconic Partners