

# The New York Times

COMMERCIAL REAL ESTATE

## A Conversation With Martin L. Nussbaum

### The 30-Minute Interview

By VIVIAN MARINO DEC. 8, 2015



Earl Wilson/The New York Times

Mr. Nussbaum, 39, is a founding partner of the [Slate Property Group](#), a development company that was started in 2012 and focuses on multifamily and mixed-use properties in emerging markets in [Manhattan](#) and [Brooklyn](#). He was a founder of [Silverstone Property Group](#), which also specialized in multifamily property.

*Interview conducted and condensed by*

**VIVIAN MARINO**

**Q.** Tell me a little about Slate Property.

**A.** Our business is really split into two different sections: There's the existing multifamily repositioning in Manhattan, and the other side of the

business is ground-up development in Brooklyn. We're building about 2,000 apartments now, of which about 30 percent are condos and 70 percent are rentals. They're in Williamsburg, Park Slope, Downtown Brooklyn, Dumbo and Bushwick.

**Q.** These are mostly midrise buildings?

**A.** Yeah. We have a handful of high-rises. We're building one at 1 Flatbush, a 20-story tower; 570 Fulton, a 40-story tower; and 10 Nevins is another 30-story tower. Downtown Brooklyn we have some high-rises, but outside of that it's generally 10- to 12-story towers.

**Q.** Are you still involved in Silverstone Property?

**A.** I started Silverstone Property in 2009. We have several assets that we still co-own with partners. But 100 percent of my time is devoted to Slate Property.

We decided just to let Silverstone hold the assets that it currently owns, and once we're done with those assets, it'll sort of dissipate and everyone will go their own way.

**Q.** How many properties are left in Silverstone?

**A.** Maybe three or four. Not very much.

*Q. How do your responsibilities in running Slate Property differ from those of David Schwartz, the other founder?*

*A.* I focus more on the existing multifamily reposition side of the business, the overall management of the office and operations day-to-day. David oversees the development side of the business; he's been in the development business for 20-plus years. And we both raise capital.

*Q. How do you go about raising capital for your projects?*

*A.* We have five or six institutional partners that we do large transactions with. Then we have a couple of family offices, both sort of local within the United States and outside of the United States. We do a fair amount of business capital raising outside of the United States. And then we have friends and family capital for transactions that are, let's say, less than \$10 million. Also, we deal with all the traditional banks. We've taken an approach of a fairly conservative leverage perspective.

*Q. So how is business?*

*A.* It's great. I would say 2015 has been the best year in my career in terms of sourcing and closing on transactions. We now have to see how they all play themselves out, but we really think we bought the right property over the last two to three years — we really feel like we bought really good assets. But in terms of volume, in terms of deal size and number of transactions, 2015's been the most successful year for us.

*Q. How many projects are you working on now?*

*A.* There's probably 12 to 13 projects that are under development and repositioning at various stages; about half are in Brooklyn. Your typical building is where there's retail on the ground level and apartments above. We haven't yet ventured into the office market, although we've pursued a couple of office transactions.

*Q. Let's talk about some of these projects.*

*A.* The largest project actually is the one we just went into contract on. It's a \$390 million acquisition of a multifamily building on East 54th Street. That's called the River Tower. It currently is about 315 apartments. All rental and all free-market.

Our plan is to go in and renovate the entire building. Harry Macklowe built the building in the late '80s. We'll work on all the common areas immediately, clean up all the common area spaces, amenitize the building, fix up the streetscape, and then as apartments vacate, we'll renovate them on an apartment-by-apartment basis. We're going to have about 360 units.

*Q. What else are you working on?*

*A.* We have a project in Downtown Brooklyn, 1 Flatbush Avenue. That's a ground-up development site of 175,000 square feet that'll be a 20-story tower. It will have a big retail component. We're just starting demolition and excavation.

And we have a project in Dumbo, 51 Jay, with Adam America. It's a

beautiful old warehouse in a landmark district of Dumbo, which is one of our favorite neighborhoods. We're converting it into 74 very high-end condos, of which about 75 percent have sold.

*Q. What kinds of prices are you getting per square foot?*

*A.* We're north of \$1,600 a foot for your typical type of apartment and north of \$2,000 on some of the penthouse units.

*Q. What about 10 Nevins, which you're working on with Adam America and China Vanke?*

*A.* That's another 185,000-square-foot, 30-story tower.

We also have three different development sites on Fourth Avenue in Park Slope — one on First Street, one on 10th and on 14th — and each one of them is 75,000 to 150,000 square feet. So just in that cluster on Fourth Avenue, we're currently in construction on all of them at various phases. We're building about 350 apartments.

*Q. Where would you like to see the company in the next five to 10 years?*

*A.* It's all about building a portfolio of cash-flowing assets that can go through ups and downs in the market. That gives you a business that you can rely on.