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Student housing property for sale at discount

Seller seeks \$8.3 million for the 64-unit, 51,000-square-foot building that sold for \$12 million in 2007. Property could also be converted for use as a hotel.

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TerraCRG

University Place, a student housing property in Brooklyn, recently went through a \$500,000-plus renovation.

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A student housing property in the Kensington neighborhood of Brooklyn is for sale for \$8.3 million, according to TerraCRG Commercial Realty Group, the brokerage exclusively marketing the property. The facility, known as University Place, is an unusual beast—one of just seven privately-owned student housing properties in Brooklyn and Manhattan, according to the brokerage.

The 64-unit, 128-bed residence hall, located at 385 McDonald Ave., is currently nearly fully occupied. It is generating average monthly revenue of \$120,000, according to TerraCRG, which was retained by Park Avenue Funding, a private lender that took possession of the 51,000-square-foot, four-story, elevator building in 2010. Revenues are dependent on the academic calendar, with the summer being the slowest season.

"There are few if any trades of this sort (of property) in the city," said Ofer Cohen, president of TerraCRG. "Given this and the improved environment, we feel this asset represents tremendous long term opportunity for a savvy."

University Place recently went through a \$500,000-plus renovation and is currently being managed by Campus Advantage Inc. The new owner can choose to keep the management company, or it could choose to convert it to a hotel, according to TerraCRG.

"We spent the last 18 months successfully stabilizing the asset," said Elliot Neumann of Park Avenue Funding, in a statement. "Given the supply constrained market, favorable interest rate environment, and anticipation of improved economic conditions in 2012, we feel this is a good time to bring the asset to market."

According to public record, the previous owner of University Place, White Acres Equities, purchased the property in 2007 for \$12 million and Park Avenue was the lender on the project. The facility, which has more than 14,000 square feet of community space and 2,500 square feet of amenities, provides apartments for rent on an annual basis and has attracted students from a number of New York-area schools, including Adelphi University, Brooklyn College, New York University and the New School. [Rents for a fully furnished suite, depending on its size, range from \\$1,175 to \\$1,350 a month](#), according to the University Place Web site.

"The Brooklyn residential rental market continues to heat up. Students are priced out of regular apartment buildings, and are seeking more affordable options like University Place," said Mr. Cohen.

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