

MAN N REPORT Feb. 2017

Rosewood Realty Group Closes \$42 Million Bronx Housing Complex Deal

Joel Gluck's Spencer Equity has closed on the purchase of the Noonan Plaza affordable housing complex in the Bronx for \$42 million.



Aaron Jungreis

The seven-story, 335,000-square-foot property at 105 West 168th Street in the South Bronx's Highbridge neighborhood includes 283 residential and eight retail units.

Rosewood Realty Group's Aaron Jungreis represented both Gluck and also the seller, Joel Leder (Noonan Plaza LLC) in the deal that closed on Oct. 31st.

The sale of this building marks the 60th building sale for Rosewood this year in the Bronx. For 2016 Jungreis reported his firm closed \$461,150,845 in Bronx sales with 15 more in contract to close before the year ends.

Spencer plans to sell majority ownership rights to a third party at a future date, while remaining as managing partner, entitled to development fees and income from the property.

Gluck is in talks to secure a \$26 million loan from an unidentified bank and to extend the building's Section 8 contract. The contract expires in April 2017, according to the documents. Currently, Section 8 tenants occupy nearly all units and rents range from \$1,125 for a studio to \$1,760 for a three-bedroom, about 10 percent lower than the fair-market price, according to HUD data.



That setup is similar to another Section 8 deal Spencer Equity completed recently. The company acquired the development rights for a three-building, 326,646-square-

foot Section 8 complex in Staten Island in July after negotiating with the federal housing department to increase rents. They plan to invest \$20 million in renovations for the 362-unit complex at 141 Park Avenue.

Gluck's firm recently acquired two other HUD housing projects in the South Bronx. In August 2015, he purchased the Riverview Houses in Morris Heights, a 383-unit multifamily housing complex at 1600 Sedgwick Avenue for \$64 million, which was subsequently sold. In February, Gluck acquired Academy Gardens, an eight-building, 376,200-square-foot complex on Commonwealth Avenue from Leder for \$67 million.