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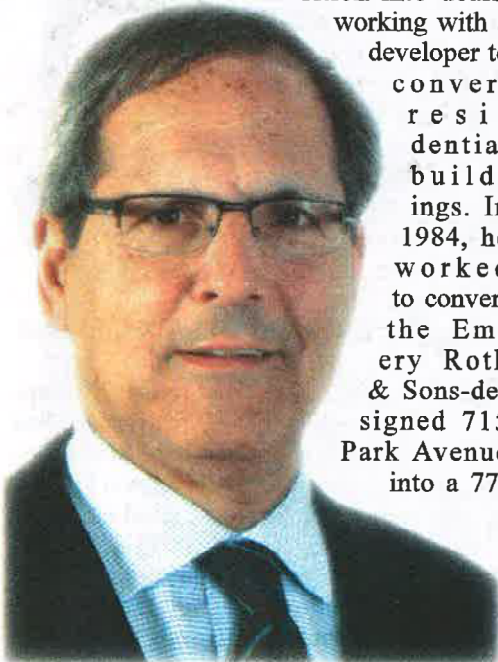
Fishing for deals lands Hornstock on the upside of market recovery

By ROLAND LI

Steven Hornstock's career has spanned accounting, residential development and land assemblage, culminating with his current position as co-managing partner and director of investment sales of ABS Partners.

The real estate veteran attended Bentley College (now Bentley University) in Massachusetts, studying business and accounting. He began as the assistant controller for a Long Island shopping center developer, Slayton Associates, where he managed the books and records.

Although he considered himself a numbers person at the time, Hornstock would soon transition into deals, working with a



developer to convert residential buildings. In 1984, he worked to convert the Emery Roth & Sons-designed 715 Park Avenue into a 77-

unit condo building. A year later, Hornstock would convert 69 West 9th Street, also known as 422-430 Sixth Avenue, into a co-op with 120 apartments. The white-brick building, in the West Village, continues to see sales today.

The often convoluted realm of land use — whether securing development rights, locat-

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— STEVE HORNSTOCK, ABS PARTNERS

ing parcels or simply gaining city approvals — presents a unique challenge, and one that Hornstock relishes.

“You need patience. You need a plan,” he said, adding that while the public review process can be a prolonged process, it is a reality that he has accepted.

Later in the 1980s, Hornstock would join David Edelstein’s Sutton East Associates, a residential developer, who would build the Channel Club at 455 East 86th Street, a 39-story tower clad in dark brick. Another project was 279 Central Park West, architect Costas Kondylis’ first independent project in New York. The building is topped by a triangular ziggurat, but the façade — including a limestone base — meshes with its Upper West Side neighbors.

In 1991, Hornstock moved into commercial real estate as the director of investment sales at Helmsley Spear Inc. But as the decade waned

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Fishing for deals

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and the real estate market slowed, he joined ABS Partners, which was founded in 1999 by Earle Altman, Peter Burack and Gregg Schenker. The firm leases and manages office properties, and launched a retail division in 2009.

ABS' buildings are concentrated in Union Square and Flatiron, along with some properties in downtown, midtown and Westchester County. Hornstock said that the firm gravitated towards the neighborhoods, partly because of its partners' expertise. Schenker, for example, was experienced in converting old manufacturing buildings into office — including former printing presses in Flatiron.

"It's a natural migration," said Hornstock. "You find the pool you can swim in, and you swim in it." Recent activity has been encouraging for ABS, with rents along Union Square breaking the \$50 psf mark. "Our rents are inching up, and our buildings are full," he said.

Rothmans, a men's apparel retailer, recently signed a deal to move its flagship store from 200 Park Avenue South to 222 Park Avenue, taking 11,000 s/f, an increase of 3,500 s/f, as the *New York Post* first reported. ABS has stakes in both buildings — it will sometimes take minority positions with partners, which strengthen partnerships with landlords.

Hornstock and Alan Cohen, executive managing director of ABS, are currently marketing a 4,500 s/f building at 250 Canal Street, on the southeast corner of Lafayette Street, for \$30 million. It is also being marketed for a long term net lease of 49 years, with an annual rent starting at \$1.8 million.

The square structure has 72 feet of frontage along both Canal and Lafayette and is adjacent to a subway station, seeing heavy foot traffic.

It is currently subleased to an individual, who has subleased it to various souvenir and handbag retailers. The stores were targeted with an investigation by the city for the selling of counterfeit goods, but the issues have been resolved and they have since re-opened. There is also a billboard behind the building that faces Canal Street and is part of the property.

Although the property had an annual income of around \$1.65 million in 2010, its profit potential could be much greater, according to Hornstock. Under the current zoning, the building may be developed up to five stories and 22,500 s/f.

"The highest and best use is to develop it," said Hornstock. "You could have a five-story retailer there." However, he added, it would be more likely to have retailer in the first two floors, and perhaps a hotel on top, given the floor plates.

The current owners are 516 West 131st Street LLC, according to city records. They are local landlords who seek income-producing properties, but do not develop new buildings, said Hornstock. "That's not their game," he said.

All new development could be done as-of-right and would require only routine Department of Buildings approvals. A potential rezoning plan for Chinatown could limit development in the future, but it is still in the planning stages.

Hornstock was born in Inwood and grew up in Jamaica, Queens. He now lives in Long Island, and recently celebrated the birth of two grandchildren. He enjoys golf, traveling and thoroughbred horse racing.