

New deal Putnam Green, Weaver's Hill slated to get new manager

By Hoa Nguyen Staff Writer

December 19, 2007

An Atlanta developer appears poised to play a key role in determining the fate of two financially distressed Greenwich apartment complexes, according to documents filed at Town Hall.

In about a week, a public auction will be held that could allow Radco Cos. to manage Putnam Green and Weaver's Hill on behalf of Lehman Brothers, according to published reports and industry observers.

About two years ago, Antares Real Estate used a \$228 million mortgage and other loans from Lehman Brothers to purchase the 462-unit Byram and Glenville complexes, intending to renovate them into luxury condominiums that were to be sold. The Greenwich firm began defaulting on at least one of the loans, according to a public notice recently published.

Norman Radow, the head of Radco, has a track record in working with Lehman to turn around similarly troubled projects, particularly several failed condominium conversions, according to industry observers.

"Norman is the type of guy who will look at distressed properties," said Jack McCabe, who heads up a Deerfield Beach, Fla., consulting and market analysis firm that specializes in multi-family residential and commercial projects. "He keeps his eyes on different things that he thinks he can make money on."

Radow declined to comment on his involvement in the Greenwich deal.

Observers, such as McCabe, said that for Lehman to recoup part of the nearly \$300 million of debt, Lehman will likely partner with Radco, which will have the task of trying to turn around the failed condominium conversion. One possibility will be to keep the two apartment complexes as rentals.

In the past, Radco and Lehman have teamed up to turn around several projects, including The Residence at Riverbend, a 38-story condominium building in Chicago, and the 18-story, 62-unit Grandview on the Common in Boston.

Meanwhile, tenants said they are fed up with the state of the property. Although Antares began upgrading the units, the developer abruptly stopped in August because of its financing woes, leaving many units half-finished and a much-reduced maintenance staff, tenants said.

"I'm definitely concerned about what is going to happen," said Holly Fuchs, a Putnam Green resident who heads up a tenants' association. "There are so many apartments that have been gutted, they have to fix them all up."

Yesterday, a gutter on one of the buildings finally came tumbling down after weeks of threatening to fall, said Jack Klokkel, another Putnam Green resident who said he had problems getting someone to respond to the gutter.

"We told them the thing is falling down," he said. "We took pictures. Nobody cared and nobody did anything."

Antares released a statement yesterday defending their handling of tenant complaints.

"In our role as property manager, we respond to all tenant issues as soon as they are brought to our attention," according to the statement. "Residents should address all concerns, as soon as they arise, to our onsite property manager. Any construction-related issues will be addressed when the project is restructured and moves forward."

Copyright © 2007, Southern Connecticut Newspapers, Inc.