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Greenwich Project Takes Nose Dive

By LISA PREVOST

A DEAL promoted two years ago as the largest real estate acquisition in [Connecticut](#) history is making headlines again, this time as a flop.

Antares Investment Partners is facing foreclosure on its condominium-conversion projects at two Greenwich apartment complexes.

Lehman Brothers Holdings, which financed Antares's \$223 million purchase of the complexes, originally known as Putnam Green and Putnam Green at Laver's Hill, initiated the proceedings on Dec. 7.

The purchase price translated to a price of more than \$550,000 per apartment, even before planned aesthetic upgrades. Despite an ambitious marketing campaign that included placards with photos of the complexes near Metro-North trains, the condos, renamed Greenwich Place and Greenwich Oaks, failed to attract buyers.

Work at the complexes came to an abrupt halt late in the summer, creating another kind of limbo for the more than 100 renters who remained as tenants during renovations.

"The place really is a mess," said Holly A. Fuchs, who shares an apartment at Putnam Green with her mother and who heads the tenants' association. "There are 34 buildings here; maybe one is completed. There are a lot of gutted units."

Antares, an aggressive development company with significant holdings nearby, has made its mark by investing in well-situated, high-quality commercial properties, like the Delamar Hotel and the former headquarters of UST Inc., both in Greenwich. The firm, headed by Joseph Beninati and Jim Cabrera, is also the master developer of an 82-acre redevelopment project in Stamford's South End.

The troubled condo project creates a “P.R. and presentation” problem for Antares as it pursues the \$3.5 billion Stamford plan, said Michael Freimuth, the city’s economic development director. “But it’s not a concern legally or economically,” he added, “because it’s a whole different investment group for the South End.”

When Antares bought Putnam Green and Weaver’s Hill in February 2006, tenants bemoaned the loss of the last relatively affordable rental complexes in Greenwich.

Antares promoted the conversions as a prime investment opportunity, but as it turned out, it had already missed the height of the condo conversion market.

“Nationally, the peak of condominium conversions was in the third quarter of 2005,” said Sam Chandan, chief economist for Reis Inc., a provider of commercial real estate market information. “By early 2006, we were seeing a slowdown, partly because apartment building prices had been bid up so much that these projects were becoming prohibitive.”

In addition, real estate experts said, Antares miscalculated how much buyers would pay for condos that, though dressed up as new, still had older heating and plumbing systems. Asking prices for the condos ranged from about \$500,000 for a one-bedroom to \$1.5 million for a triplex. The upper end of that range was also a stretch for Byram, the modest, densely developed neighborhood where Putnam Green is situated.

“The concept was right,” said Nancy Healy, a partner in Shore & County Properties, a Greenwich brokerage. “The dollar amount wasn’t. That particular product couldn’t match the newness of what was being built elsewhere in town.”

John D. Freeman, Antares’s vice president and general counsel, called the disappointing sales “a reaction to a change in the market,” and said the company was still negotiating with Lehman and Arch Street Capital Advisors, an equity partner in the deal. “We remain optimistic that we can reach an agreement with them to move the project forward,” he said. Lehman Brothers has also been talking with the Atlanta-based Radco Companies, according to a report published in *The Wall Street Journal*, about the possibility of assuming a role in the Greenwich deal.

Radco, which is headed by Norman Radow, a lawyer who got his start in New York, has a track record of successful turnarounds in several cities, including Chicago and Boston. As

to Radco's possible involvement with the Greenwich projects, Mr. Radow said through a spokesman that "nothing has been confirmed."

John Klokel, a tenant at Putnam Green, said Mr. Radow toured the complex on Dec. 19, and suggested that Radco would soon be in charge. "He said the apartments are going to stay as rentals," Mr. Klokel said. "He assured people that there would be no evictions of people who need a place to live." (A spokesman for Mr. Radow's company declined to comment.)

Most of the residents are tenants over 62 who are allowed by state law to remain as renters in apartments converted to condominiums. They faced substantial rent increases, but did not have many other affordable options, Ms. Fuchs said. The waiting list for the Greenwich Housing Authority's 291 apartments for the elderly is so long that it has been closed for a year. (It will reopen next month.)

The conversion process has subjected older tenants to considerable stress, Ms. Fuchs said. Some have battled Antares in housing court over the fairness of the proposed rent increases and have endured the myriad inconveniences that accompany continuing construction. "It's so upsetting because it used to be such a nice community," she said.

At least one younger tenant who was forced to move because he couldn't afford to buy his apartment now says it all worked out for the best. That tenant, Steve West-Rosenthal, who works at the [United Nations](#) Federal Credit Union, moved with his family from the Putnam Green triplex they had rented for nearly 20 years to a house they bought in Norwalk. Antares had been asking \$1.5 million for the family's triplex; Mr. West-Rosenthal said he had paid "dramatically less" for an older house with twice as much space.

His commute to New York is a little longer, but he said he loved being a homeowner, adding: "I'm out there mowing the lawn. I built myself a little wood shop downstairs. The whole thing was a blessing in disguise."