

THE REAL DEAL

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Tribeca's Warren Lofts hits the market, marking developer's return

Sonny Bazbaz's residential project features 'family-sized apartments'

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From left: Sonny Bazbaz and images of 37 Warren Street

Sales have officially launched at the luxury condominium conversion of an Art Deco loft building at 37 Warren Street. The launch marks developer Sonny Bazbaz's re-entry into the New York development game, from which he's been taking a short hiatus.

A selection of apartments at the Tribeca building, which was built in 1931 by a flower seed company, came online this morning, according to [Streeteasy.com](#), and is asking between \$1.67 million and \$5.6 million for a two- and three-bedroom units.

The launch of sales at the property, being marketed by Corcoran Sunshine Development Marketing, has been a long time coming. Millennium Group, a development firm operating out of Roslyn, N.Y., first slated the former office property for residential conversion when it purchased it for \$30.5 million in mid-2007. But in light of the recession, the developer defaulted on its mortgage and failed to follow through on the project.

Bazbaz, of Bazbaz Development, acquired the defaulted mortgage from East West Bank in 2010 and took the deed to the property via foreclosure in 2011. The total acquisition costs, including the legal costs of completing the foreclosure, totaled \$15.5 million, Bazbaz said. "I would walk past the building
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THE REAL DEAL

July 24, 2012

every day and notice that there was no activity for about a 12- or 18-month period,” he said. “The building was essentially dark, so I started doing a little research.”

Prior to taking control of 37 Warren Street, Sonny Bazbaz had, for the past five years, been focused on development consulting. The Mexican-born executive, who grew up in Texas, first burst onto the real estate scene in 2004, when he was offered a position at legendary real estate firm Fisher Brothers straight out of business school. (He earned an MBA at New York University’s Stern School of Business.) Richard Fisher, a senior partner at Fisher Brothers, had discovered Bazbaz while teaching a real estate finance course at Stern and soon took the young man under his wing. Fisher, who died of cancer in 2006, had invited Bazbaz to become his teaching assistant, and later offered him a job.

Bazbaz spent three years at Fisher Brothers, where he was responsible for real estate development acquisitions. Around 2006, he was tapped by the firm to spearhead acquisitions and then the subsequent master-planning and entitlement for a 100-acre assemblage project in Las Vegas. The \$10 billion project, slated to be designed by Foster + Partners, was put on hold when the economy turned and Bazbaz soon departed the company to launch a development firm, with [Mitchell Hochberg](#), named Madden Real Estate. Madden evolved into a development consulting platform amid the flailing economy. “A lot of real estate investment firms reached out to us to help them with projects that were in turmoil,” he said. “In some cases we just provided our opinion and in some cases we were inserted as the developer of projects to get them to completion.”

Projects Madden worked on include the Cosmopolitan Resort & Casino in Las Vegas as well as several New York City-based projects. Tasked by project lender Square Mile Capital with rescuing sales at Miraval Living, a 365-unit Upper East Side condo at 515 East 72nd Street, Madden repositioned the building by hiring new contractors, debuting a revamped website and tapping a new public relations firm, *The Real Deal* previously reported.

Bazbaz is back from the consulting side with the 18-unit Warren Lofts building. Inside, there are 14 lofts within the original building and four larger penthouses in a new four-story rooftop addition that is currently under construction. The smallest available unit is 1,200 square feet.

“The evolution of the Tribeca submarket has continued to move more and more towards family-sized apartments,” Bazbaz said of the layouts.

The property was built by the Stumpp & Walter flower company during the Great Depression. Starrett & Van Vleck, the architecture firm behind New York’s Lord & <http://therealdeal.com/blog/2012/07/24/tribecas-warren-lofts-hits-the-market-marking-developers-return/>

THE REAL DEAL

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Taylor and Saks Fifth Avenue department stores, designed the building, back in the 1930s. Handel Architects is handling the conversion.

The property features doorman and porter services, a rooftop garden, a children's playroom, a fitness center, a storage area, and bicycle storage.

Slated for completion in the first quarter of 2013, the building is now being shown by appointment. Bazbaz said he's gotten a lot of interest from the company's sidewalk bridge signage and from people in the neighborhood walking by the building. Over 800 people have already registered for more information on the lofts, he said.

In addition to Bazbaz's Warren Street project, the company is also working on launching a new condo project at 101 West 87th Street, where it [partnered with BlackRock and Fisher Brothers](#) to buy the building at a federal bankruptcy auction in 2011. The property was previously owned by embattled developer Yair Levy, who failed in his effort to convert the rental property to condos. Sales will likely launch at that property late this year or early next year, Bazbaz said.