

# Reinventing New York City Housing

An Interview with Daniel Brodsky,  
Managing Partner, The Brodsky Organization

**EDITORS' NOTE** Daniel Brodsky has an extensive background in real estate and urban planning. He is a graduate of the University of Pennsylvania and New York University, where he obtained a Master's Degree in Urban Planning. An avid supporter of the Metropolitan Museum of Art since 1984, he has been the Chair of the Real Estate Council since 1996 and a trustee since 2001, and was appointed Chairman of the Board in 2011.



Daniel Brodsky

**COMPANY BRIEF** For over 60 years, The Brodsky Organization ([brodskyorg.com](http://brodskyorg.com)) has provided New Yorkers with over seven million square feet of luxury housing in some of the best neighborhoods in Manhattan. The firm has developed and restored an array of timeless luxury buildings, including One Columbus Place, Chelsea Enclave, 12 E. 86th Street, 24 Fifth Avenue, and 135 E. 79th Street. The Brodsky Organization has also developed premier commercial, retail, and mixed-use properties, totaling one million square feet. In 2014, The Brodsky Organization commenced development of an additional one million square feet of rental housing. Nathan Brodsky first started rehabilitating brownstones and apartment buildings in Greenwich Village in 1951, and since then, The Brodsky Organization has dedicated itself to providing attractive living spaces for New Yorkers. Nathan's son, Daniel Brodsky, joined the effort in 1971, and today, a third generation of the family, represented by Dean Amro, Alexander Brodsky, and Thomas Brodsky, is continuing the tradition, while bringing new insight about today's marketplace to the business.

## How has the company evolved to where it is today?

The Brodsky Organization began with my father, Nathan Brodsky, approximately 65 years ago. He had a passion for renovating brownstones and other midsize buildings in Greenwich Village, many of which we still own today.

Before joining The Brodsky Organization, I was working for New York State while obtaining my degree in Urban Planning from NYU. In 1971, I decided to change my career focus to the private sector and join my father at The Brodsky Organization.

It was during this time that the organization shifted to a new strategy involving residential

hotel conversions. My father was forward-thinking and began to purchase neglected residential hotels to transform them into quality apartment houses. I aided him in the conversion process of several properties and soon this focus of our business began to thrive.

For a decade, we continued to renovate former hotels into luxury rental residences, including The Beaux Arts in Midtown East, The Croydon on the Upper East Side, and 24 Fifth Avenue in Greenwich Village.

In the 1980s, The Brodsky Organization expanded to new construction with larger condominium developments such as The Beaumont, which was profitable, with sales at \$200 per square foot. As we began to gain a foothold in the new construction marketplace, we saw a steady increase in value and demand for these properties. Our latest condominium development, 135 East 79th Street, has been selling at an average of \$3,300 per square foot.

In the 1990s, we shifted our focus to the construction of large-scale rental buildings. As New York City was facing difficult times, we had to learn to adapt our residential properties. In 1991, we developed a one-million-square-foot property, West End Towers, comprised of 1,000 apartments, retail space, and a garage. We altered the 80/20 program for West End Towers to include a 20-year property tax abatement by working closely with the 80/20 expert Alan Weiner and local officials such as Ruth Messenger, the then-Borough President. As a result, West End Towers was the first 80/20 rental with a 20-year tax abatement model. We found success in this model and we're currently building our sixth 80/20 building.

Over my 40 years in the business, I have seen the markets change dramatically. The Brodsky Organization has continued to maintain its position in the marketplace, however, by adapting to market needs while maintaining long-standing relationships and a consistent business standard. I believe that our business will continue to evolve and grow for many years to come.

**Is the 80/20 program going to be enough to meet affordable housing needs today when a large percentage of the population has been priced out of the market?**

The issue of making New York City affordable to the vast majority is a complex one and,

of course, of great importance. As construction costs and land values continue to rise, it has become difficult to build housing that is affordable to a majority of the population. Developers are forced to look at what they can realistically afford to build given that land costs are at least \$200 per square foot and construction costs have risen to over \$350 per square foot. This is in stark contrast to when we first began building and land was available at \$50 per square foot and construction costs averaged \$100 per square foot.

I agree with the Mayor about the importance of ensuring affordable housing for the average New Yorker. The 80/20 program certainly helps address the affordable housing needs because the market rents are high enough to help carry the affordable apartments in Manhattan, Brooklyn, and Queens. I am not sure if the 80/20 program alone, however, will meet the incredible demand for affordable housing in New York.

**What type of challenges does The Brodsky Organization encounter when looking for new development opportunities?**

The Brodsky Organization takes pride in being a risk-conscious, hands-on company. I operate the company with the help of my nephew, Dean Amro, and two sons, Thomas Brodsky and Alexander Brodsky, as well as a tight-knit staff of 40 employees.

We tend to be very selective about the work we pursue and carefully choose each project to ensure it fits our long-term strategy. As each project is truly a labor of love, we prefer to own what we build by utilizing our own equity for each project.

Currently, we are developing rental properties located in two of New York City's most thriving neighborhoods. We are building an 80/20 rental development in Morningside Heights, which will contain approximately 430 apartments, as well as a 440-unit market rate rental building on Flatbush Avenue in Brooklyn. The Brooklyn property will be situated on the site where Acadia is constructing a large shopping center.

**Are you surprised by the evolution of some of New York City's neighborhoods?**

I find that New York City is an ever-evolving city. Ten years ago, I did not think Brooklyn would fit in with our building strategy. Now, downtown Brooklyn is considered a prime development area along with many other viable locations throughout the city that I would have never considered a decade ago. ●