

## Product is Everything

An Interview with Izak Senbahar, Alexico Group LLC

**EDITORS' NOTE** In 1977, Izak Senbahar moved to the U.S. to attend The Catholic University of America in Washington, D.C. After graduating with a B.A. in mechanical engineering, he moved to New York, where he earned his master's degree in finance from New York University. Senbahar was a Gold Trader for the French financial firm *Sucre et Denrées* before he entered the real estate market.



Izak Senbahar

**COMPANY BRIEF** Alexico Group LLC ([Alexicogroup.com](http://Alexicogroup.com)) is a real estate development firm based in New York with a portfolio of projects including *The Mark Hotel*, *The Laurel*, 165 Charles Street, and 56 Leonard. Alexico Group partners, Izak Senbahar and Simon Elias, collectively have more than 50 years' experience in development, construction, ownership, and management of Manhattan real estate. They are recognized leaders in their field with a portfolio that has included some of New York's most prestigious properties.

**With the economic collapse, how much of an impact did you see on the New York City market?**

New York is not immune to what is going on around the world so there has been an impact. But that isn't translating to bargains and I don't see much discounting going on in New York.

**You're involved with *The Mark Hotel*. How is that property doing and are you happy with the awareness of the new *Mark Hotel*?**

It's doing very well. Our occupancy levels and ADR are high; Frédéric Fekkai spa and our Jean-Georges restaurant have been doing great as well – they draw more than 1,000 people per day into the location so I'm happy with what is going on there.

**You've also had good success with *The Laurel*. How have sales been and are you getting the interest that you had expected?**

We had a very good spring and summer at *The Laurel* – we are now over 75 percent sold. The average per square foot is around \$1,700, which is a good number. The building has been very well received. It has great amenities and we're almost done with it.

**How about 56 Leonard?**

We are getting ready to start construction and are in negotiations with a syndicate of banks. It's a great project and there is excitement around it; it's a Herzog & de Meuron tower that everybody wants to get built and it will.

**And *The Oliver*?**

We are now looking at different scenarios. It was supposed to be a rental and we are also looking into a condo option – we're still studying it.

**Is it realistic to think of New York real estate returning to pre-recession pricing or will it be different in the future?**

I don't see double-digit per year increase in prices in real estate in New York within the next five years. It's going to be a lot



lower than that, but it will be a healthy pace. People buy because either they're upgrading or downsizing, so it's a need-based demand. There are investors as well, but not as many as in Miami or Las Vegas where it becomes speculative.

**Is this a time in New York for opportunity in real estate or is it a time to step back and watch?**

Real estate is always a good business to invest in, so whenever the opportunity arises, it's a good time to buy and build. But in real estate our time horizon is not a year or two – it's 10 to 20 years or longer.

**Today, there is almost no part of the city that isn't considered a good place to live. Are you surprised by that?**

People are now less specific about location. New York has become a place where you can live anywhere within Manhattan and feel safe. There are restaurants, nightlife, and culture all over Manhattan; every area offers everything you need.

**The Mark has a residential component. Will multi-purpose buildings be more of a focus in the future?**

There are more buildings coming onto the market where the lower floors are hotels and the higher floors are condos. That is a formula that works but it's more project- and site-specific.

**How much of a focus is there on energy efficiency and will that be a given for the future?**

It was always about energy efficiency for us and it's going to be even more important going forward. One has to get with that program because it is the future and people are much more conscientious about it; it's not just a fad.

**With a number of properties and developments, how challenging is it to balance it all?**

It's challenging, because the banks are reluctant to lend and there is a mistrust of the political system; there is also a lot of psychology going on in the market. That makes it jittery, which translates into our day-to-day challenges.

**But you're optimistic for the future?**

Yes, but it's up to us to create jobs because it's the only way we'll get out of this recession. People have to earn to spend.

**As one who never cuts corners, are you ever fully satisfied or do you always see something you could have done differently?**

I keep my eye on the product because that is the most important thing – it's what is going to sell, and you will suffer less in a down market if your product is good, so product is everything to me and I do the best I can. ●

*The Laurel*