

COMMERCIAL REAL ESTATE

Eldad Blaustein

The 30-Minute Interview

By VIVIAN MARINO JAN. 13, 2015

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Mr. Blaustein, 44, is the chief executive of IGI-USA, the American development arm of Izaki Group Investments, one of Israel's largest and oldest private development companies. The company's current downtown residential projects include 93 Worth and 15 Renwick.

Interview conducted and condensed by

VIVIAN MARINO

Q. *You started with the Izaki Group in Israel.*

A. That's right. I've been there from 1999 — I started out as the marketing and business development manager — and then came to the States in 2005.

In 2010, we officially were set up as IGI-USA. We acquired the property in TriBeCa, and at that point I assembled a team of young professionals.

Q. *Sounds as if you created the entire division yourself.*

A. Yes. In the beginning I was doing everything. And once the company grew — and I still define it as a small boutique — I'm less involved with the day to day. I'm monitoring the overall strategy and acquisitions.

Q. *How was business in 2014?*

A. I would say perfect. At 93 Worth we occupied the residences. This is the first project as IGI-USA; 93 Worth was a condo conversion, an office building 80 percent occupied by the New York City Department of Health and some law firms. We sold out 95 percent, which is 87 units out of 92. We're left with three penthouses and one regular unit.

Q. *What are the penthouses at 93 Worth going for?*

A. They range in absolute price between \$7 million and \$9.5 million. In terms of dollar per square foot, it's between \$2,700 and \$3,000.

The rest of the building was much lower. When we started to sell, it was \$1,300 a square foot, and we ended the sales at \$2,000. We saw a shift in the market during the sales process and we managed it very carefully. We released a unit, we increased prices, and the market picked up with that process.

Q. *What's the status of your project at 15 Renwick in SoHo?*

A. We're marketing it as Hudson Square: It's an up-and-coming enclave in SoHo. It's far west.

It was a stalled site. We acquired it in 2012, changed the design. It's a ground-up, 31-unit condo development. We just topped out on the 11th floor.

We launched sales more than a month ago. We sold about 50 percent. We're getting slightly north of \$2,000 a square foot. They're mostly two- and three-bedrooms. We also have full penthouses and three townhouses. We created townhouses in that area because it's a one-block street and we felt the character of the neighborhood is very cozy, very residential.

Q. *And the status of 155 West 18th Street?*

A. That's another condo development that's also under construction. We have yet to begin sales. Sales should begin in the spring — at \$2,200, \$2,300 a square foot, on average.

We are now on the ninth floor. Again, very boutique, very local. We broke ground in June.

Q. *You're not going for the ultraluxury market, are you?*

A. I'm trying to attract the local buyers in a still-moderate price range, and moderate size-wise. Even at \$2,000, you might say it's an insane price, but it's less insane in the absolute price. There are hundreds of listings that are more than \$7 million. People tend to build superluxury big units. I feel the need to build for the local buyer.

Q. *Is it hard finding development sites?*

A. There are tons of offers every day. The problem is, the prices are superexpensive. You're talking about land prices that we used to underwrite — the complete product is the same price they ask for land. I have offers on the table for \$1,200 a square foot for dirt — \$1,200 was my ceiling for underwriting selling prices. It seems like there's some imbalance.

Q. *Where would you like to see IGI-USA in the next few years?*

A. We are very focused in Manhattan, in core markets. The company as a group has a global presence — we have an office in London, Warsaw, Hungary.

Most of our inventory, if not all of it, is targeting local buyers in a relatively moderate price. I feel more comfortable that even in the long term we'll see the core areas bringing returns.

Q. *Were you always interested in real estate?*

A. Yes, I grew up in a real estate company. My family was — and still are — developers in Israel.

Q. *I understand that you like to surf.*

A. I surf globally. This is my getaway. I was a beach bum.

Q. *What was the biggest wave you surfed?*

A. Three stories. I like putting it in real estate terms. So about 30 feet.

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