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Conscious Development

Matthew Blesso takes a modern, eco-urban approach to all his residential housing projects. **p44**

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Matthew Blesso, founder of Blesso Properties, stands in the living room of 112 Washington Place, a renovated brownstone.

Conscious Development

Matthew Blesso takes a modern, eco-urban approach to all his residential housing projects.

BY SUSAN PIPERATO; PHOTOGRAPHS BY DEBORAH DEGRAFFENREID



Up-and-coming” is an understatement when it comes to describing Matthew Blesso, president and founder of Blesso Properties since 1999. At age 35, this former banker has assembled a small company of 12 young creative types with the goal of making every project even more beautifully designed and ecofriendly than the last—and doing it in a spiritually balanced way. The company’s small but choice portfolio of ecofriendly spaces in downtown Manhattan, and one in Harlem, includes multi- and single-family residences along with his own award-winning penthouse, Noho Loft. Each property is designed in-house in what Blesso calls modern

eco-urban style, which he describes as “an imaginative design concept that is informed by clean lines, organic forms, and spatial and natural harmony.”

Blesso Properties’ latest offering is 112 Washington Place, a brick townhouse located between Avenue of the Americas and West 4th Street, which illustrates the balance Blesso Properties strives to achieve between fine, subtle design, high-quality materials, and overall ecofriendliness. At 112 Washington Place, this 3,500-square-foot Federal building, formerly owned by the same family for more than a century, has had its façade restored, its ceilings raised to double height, and its private garden re-landscaped, with non toxic, environmentally-friendly details included throughout. Once again, Blesso has managed to create a Manhattan haven.

Before you became a developer, you were a banker.

I didn’t grow up with a lot of money, so I viewed banking as a means to an end. I finished college and managed to get a good banking job. I made \$32,000 in 1995, which, for me, was like a fortune. That’s why I went into it. The plan was to save as much money as I could and do something else.

Did you always have development in mind?

My father worked in community development for the City of Paterson, NJ, where I grew up, so I’ve always been around

development. But I really fell into real estate when I bought my own apartment in Hoboken in 1996. I converted it from a two-bedroom to a three-bedroom and took in two roommates. The apartment next door was owned by a guy in London. I told him, “If you ever want to sell it, let me know.” He called six months later.

I threw myself into real estate and entered the NYU Master’s in Real Estate program. I was interested in selling those two apartments and rolling the profits into buying a building. I started a new banking job in 1999, sold the apartments, and bought a building in July 1999, at 234 W. 20 St., for \$815,000. It was a little over \$100 a square foot; at that low price, it couldn’t qualify

for much commercial financing, so the seller took back a \$600,000 mortgage and gave me two years to turn it around or he’d foreclose on me.

“I’ve used people’s distrust of developers as an opportunity to be different. I genuinely believe that doing the right thing in all aspects makes for good business.”

—Matthew Blesso

So the pressure was on.

It was loan-to-own. There were eight very low-rent-paying, stable tenants and 100 violations on the building. I inherited a couple of lawsuits. I didn’t know anything; I was quite naïve. I went to the NYU Law Library to learn about landlord-tenant law and what my rights were. I had no idea how any of this stuff worked, so my first class in grad school was real estate law. I found my landlord/tenant attorney standing in line at the Department of Buildings, talking to this guy who referred me to him. That was the way I found people. Eventually, I bought out or settled lawsuits with the eight tenants. I renovated the building, added one-and-a-half stories to the top, and converted it to condominiums. I did all the interior design myself, despite never taking a design class in my life. I’m self-taught.

That’s incredible.

I was proudest of the two penthouse apartments. They couldn’t put an elevator in the building. There was no

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CLOCKWISE FROM ABOVE LEFT: THE DESIGN TEAM FOR 112 WASHINGTON PLACE, ALONG WITH ARCHITECT ANDREA STEELE, ELECTED TO REMOVE HALF OF THE FIRST FLOOR FOR A DOUBLE HEIGHT SPACE; THE EXISTING REAR YARD WAS EXCAVATED TO ALLOW A SEAMLESS CONNECTION BETWEEN THE GARDEN AND MAIN LIVING SPACE; EXPANSIVE WINDOWS AT THE REAR FAÇADE OFFER VIEWS OF THE GARDEN FROM THE MAIN ENTRY, KITCHEN, MEDIA ROOM, AND PARLOR; THE WORK OF LOCAL ARTISTS AND CRAFTSMEN FURTHER THE OVERALL APPROACH OF THOUGHTFUL DESIGN AND QUALITY DETAILS.



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place to run a shaft through. I added two stories and was looking to sell them for \$1 million each. People said, “Nobody’s going to pay a million dollars to walk up five flights.” But I ended up selling those units at the highest price per square foot ever paid in New York City for a fifth-story or higher walkup. I had an open house and hundreds of people showed up, and I sold both units within a week for \$1,000 per square foot, in 2004. It sounds cheap now.

What came next?

West 20th Street was so involved that while I was working on it, I purchased 142 W. 10 Street, a very inexpensive building, in October 2003, and sold it out in June 2005, so I actually finished my second project first.

You seem to have a knack for picking good projects.

Our investment philosophy is not to do what everybody else is doing, but to see deals other people don’t see. We’re looking to out-perform the market; if we do what everybody else is doing, we can’t out-perform. I did West 10th and West 20th when no one was converting small buildings into condominiums. Everybody was looking at West 10th Street as an investment, despite the fact that there weren’t any rent-regulated tenants there. Nowadays, a deal like that would have “condo conversion” written all over it, but back then, nobody was doing that. On a cap rate basis, it was priced for the market, but on a condo conversion basis, it was a homerun. I bought that building for less than \$300 a square foot, and it sold out. It broke a pricing record as the highest average sellout of any non-elevator condo project in New York, at \$1,430 a square foot.

You’ve established yourself in a very short time, and won some awards.

We won a design award from the American Institute of Architects for the two penthouse apartments at West 20th Street, and an award for 142 W. 10 Street for interior design. And I’ve now won three awards for the design of my apartment.

Are your standards different?

When I started grad school, I went to talks with developers. Before I’d bought anything, I was at a developer’s talk and—I remember this distinctly—he said, “What is the relationship between development and spirituality?” I’d read a lot about real estate, been to a few talks, but never heard anybody talking like this. His message was that if you’re doing the right thing, it’s actually good for your business. That resonated with me. Real estate developers do not enjoy the highest level of respect. You hear the term “evil developer” all the time. I viewed that as an opportunity. It’s hard to stand out as an exceptionally socially conscious social worker. It’s easier to stand out as a socially conscious developer. I’ve used people’s distrust of developers as an opportunity to be different. I genuinely believe that

doing the right thing in all aspects makes for good business.

Not every developer’s gone green yet, but you have, starting with your designing your own green apartment.

I lived in my first building on West 20th Street for eight years, and I designed that space myself. As I started designing other projects, I realized I’d come a long way in terms of figuring out my likes and wants. I began collecting ideas for my own green space. I wanted to be in a loft building with lots of light and privacy, on a top



I used pipe decking that’s Forest Stewardship Council (FSC)-certified; walnut on the interior, which is not FSC-certified, but which was sustainably harvested. I called up the company in Vermont and had a long conversation with them to figure out what they were doing and where they were getting their wood. That’s part of the process of figuring out which of so-called green products are good and which are bad. We tried to use green products we’d checked out: dual-flush toilets, low-energy lighting, low-VOC (volatile organic compound) paint, plywood and sheetrock from recycled content, a rainwater collection system on the green roof.

With the economy in trouble, are you approaching things differently?

Absolutely. We’re in a fortunate position because we didn’t overpay for things when there was a lot of froth in the market. We’ve been less active the last two years in terms of acquisitions because I couldn’t find deals that made economic sense. We actually don’t have any exposure right now beyond the townhouse. That’s the only thing that we have to sell. I guess we’re smart or fortunate, but we managed to sell out our remaining products when things were already really jittery. I believe we did because we designed products people liked. We don’t have any significant problems right now because we took a more conservative view in our underwriting. We have capital, we’re looking at things all the time, but we’re in a totally different environment now. There’s no financing available for condominium development, and that’s first and foremost how we view ourselves. But we’ve had great success with repositioning residential assets—our focus moving forward will be that, or getting involved with other projects that have problems, whether it’s land or unsold units in projects. We have to adapt and change our model, given what’s going on in the market. We approach our deals with an institutional mindset, even though we’re a small company. We’ll do things purely to make money, but ideally we like doing things where we can incorporate our design aesthetic.

floor with the roof. I wanted a clean slate—raw space or a space needing to be gutted. I finally found it on Great Jones Street. It was a Blesso Properties project.

So how green is your green apartment?

The greenest thing you can do is reuse a building rather than build a new one. You can have a new state-of-the-art green building, like the ones in Battery Park City, which are the gold standard for new green construction. But a renovated loft building, even with leaky windows, is greener, from a carbon footprint standard.

I wanted the apartment to serve not just as a great place for me to live, but as a showpiece for our design capabilities and green mission. We gave it a connection to nature—the garden is right in the center of the apartment—and used environmentally responsible materials, ideas, concepts whenever we could.

Your personal and professional goals seem very intertwined.

I do take my professional goals very personally. I care what people think about me. I feel the same way professionally. What I do professionally is a reflection of my character.

And so is what you do for your community and humanity.

We have a lot of philanthropic involvement. In fact, I’m working on starting my own philanthropic organization, but we also support a lot of community-based organizations, which is part and parcel of our mission, along the lines of what we view as good for the soul is also good for our business. We’re exploring a few different avenues, from building sustainable, architecturally interesting, low-cost housing in Central America, to building affordable housing here in New York City. Hopefully, we’ll be doing both these things. ■