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## SQUARE FEET

### The 30-Minute Interview/Mitchell C. Hochberg

*Mr. Hochberg, 58, is the managing principal of Madden Real Estate Ventures, a real estate investment, development and advisory firm specializing in hospitality and residential projects.*

*He was the founder of the residential developer Spectrum Communities, which he sold to WCI Communities, and once served as the president of the Ian Schrager Company.*

*Interview conducted and condensed by VIVIAN MARINO*



Jennifer S. Altman for The New York Times

**Q What projects are you working on right now?**

**A** We're working on four projects. We're in the process of buying the debt on two hotels: one in New York City, one in the suburbs. Our goal with those transactions would be to take back ownership, rebrand and reposition the hotels, then ultimately sell to an institutional buyer. We're also developing a hotel in Hollywood, Calif. And we're working on a 50-unit condominium project in North Harlem, which hopefully will be started in the next six months or so.

**Q So you're pretty busy.**

**A** We're very busy. It really picked up toward the second half of last year. We're dealing primarily with the financial institutions to find projects.

**Q Mostly distressed projects?**

**A** We won't typically be a buyer if something is being sold through a major brokerage firm, because we can't afford to compete with some of the big institutional buyers. We look for properties where we can add some value — for instance, a condo project that's distressed — and come in with a different approach, brand and marketing campaign.

**Q Are you seeing more opportunities these days?**

**A** It's increased, but it hasn't increased exponentially. I think most of the deals that we've looked at today are as a result of existing relationships with financial institutions. Some of them know us and have come to us, and frequently we'll go to them.

**Q And, increasingly, you've played the role as adviser, no?**

**A** You had a lot of seasoned developers sitting on the sidelines waiting for the market to turn. I was fortunate enough to have relationships with many financial institutions and investment funds that had been my partners in the past and we had done very well together. They came to me and said: "Look, you're not doing anything anyway. Why don't you take your 30 years of experience and help us work through these projects?" That really provided us with a new business.

**Q Speaking of opportunities, you sold, bought back, then resold a company you founded, Spectrum Communities.**

**A** I founded the company in the mid-'80s, sold it in '95 to Skanska, the construction giant from Sweden, and stayed on with them until 2003. I bought the company back from them in 2003, and sold it in 2004 to WCI. We sold it for a lot more than we bought it for.

**Q Is now a good time to get back into the market?**

**A** On the hospitality side, it's a great time — if you can buy well. The problem is there isn't a lot of product on the market, and a lot of the product has been bid up. But the market has been recovering, particularly in New York. There's been a double-digit increase in "rev par" in 2010 — the revenue per available room.

**Q Are you still working with the hotelier Ian Schrager?**

**A** Ian and I have been partners with Marriott on its Edition brand since its

inception four years ago. The concept of Edition was to build a boutique hotel product that would deliver style and design for a particular location, and also deliver five-star service. You wouldn't walk into one and not know what city you're in. We opened our first two hotels — in Waikiki and Istanbul. We have five other projects under development, including one in Miami, on South Beach.

**Q Are any coming to New York?**

**A** We haven't found the right property yet.

**Q Is there a name for the Harlem condo development?**

**A** It doesn't have a name yet. Basically, it's going to be a small project — 50 units — in northern Harlem, mostly one- and two-bedrooms, with some studios. No amenities, just a nice building. It will be market-rate but affordable with a lower case "a" compared with Midtown. We'll be able to sell at \$550 a foot and make a good profit.

**Q What has been your favorite project?**

**A** I'm proudest of BelleFair in Rye Brook, which we completed in the early 2000s. It was a 250-unit residential project, at the foot of the runway for Westchester County Airport. Everybody told us we'd never be able to sell it, because it would be too noisy.

We spent considerable money on technology to make the houses soundproof, and we put in lots of amenities. Now the homes are reselling at almost double the original price.