



NEW YORK'S
OFFICE CONDOMINIUM
SPECIALIST





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NO STANDING
7 AM - 4 PM
SCHOOL DAYS
←

PENSKE
Truck Rental

CEDAR
LAKE



Company Overview

Rudder Property Group is a commercial real estate services firm that solely specializes in the sale of office condominiums in the New York Metropolitan area. With over a decade of experience in this niche market, the principals of Rudder Property Group have sold over 2,000,000 square feet of office condominiums with a dollar value in excess of \$1 billion. In the small, highly specialized field of office condominium sales, Rudder Property Group is the market leader.

Biographies



Michael Rudder

Michael Rudder is the Principal of Rudder Property Group, a commercial real estate services firm that specializes exclusively in the sale of office condominiums in the New York metropolitan area. Michael has been involved in the acquisition, conversion, marketing and sales of more than two million square feet of office condominiums, including 35 West 36th Street, 866 United Nations Plaza, 20 West 33rd Street, The Corinthian at 345 East 37th Street, 125 Maiden Lane, 633 Third Avenue, 70 West 36th Street, 131 West 33rd Street and 820 Second Avenue. Prior to founding Rudder Property Group in 2010, he spent more than eight years as director of office leasing and sales for Time Equities. Michael is the Chairman of the REBNY Sales Brokers Committee, a former board member of YM/WREA and a founding member of the St. Jude's Real Estate Committee.

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mrudder@rudderpg.com



Justin Harris

Justin Harris is the Associate Director of Sales for Rudder Property Group. Justin brings a team-oriented mindset and an investment sales background to the RPG team. Prior to joining RPG, he worked on the Development and Conversion Investment Sales team at the brokerage firm CPEX Real Estate. He focused on sourcing, underwriting, and selling ground up and conversion developments. Justin began his career in real estate at Keystone Equities in Manhattan and First Development Corporation in Long Island, working on acquisition and development deals.

Justin graduated with a Bachelor's Degree in Real Estate and Finance from Syracuse University.

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RPG's Office Condominium at 36 West 44th Street

Services

Rudder Property Group is the only commercial real estate brokerage and advisory firm that exclusively focuses on the sale of office condominiums. Our unparalleled experience in this niche market ensures optimal pricing and deal terms for the sellers, purchasers, investors and developers we represent. Our institutional-quality marketing campaigns and sales process have resulted in the successful sales of over one million square feet of office condominiums. In addition, we have provided our expertise in more than 1.5 million square feet of condominium conversions, including 32 West 39th Street, 35 West 36th Street, 866 United Nations Plaza, 18-20 West 33rd Street, The Corinthian at 345 East 37th Street, 70 West 36th Street, 131 West 33rd Street and 125 Maiden Lane.

Seller Representation

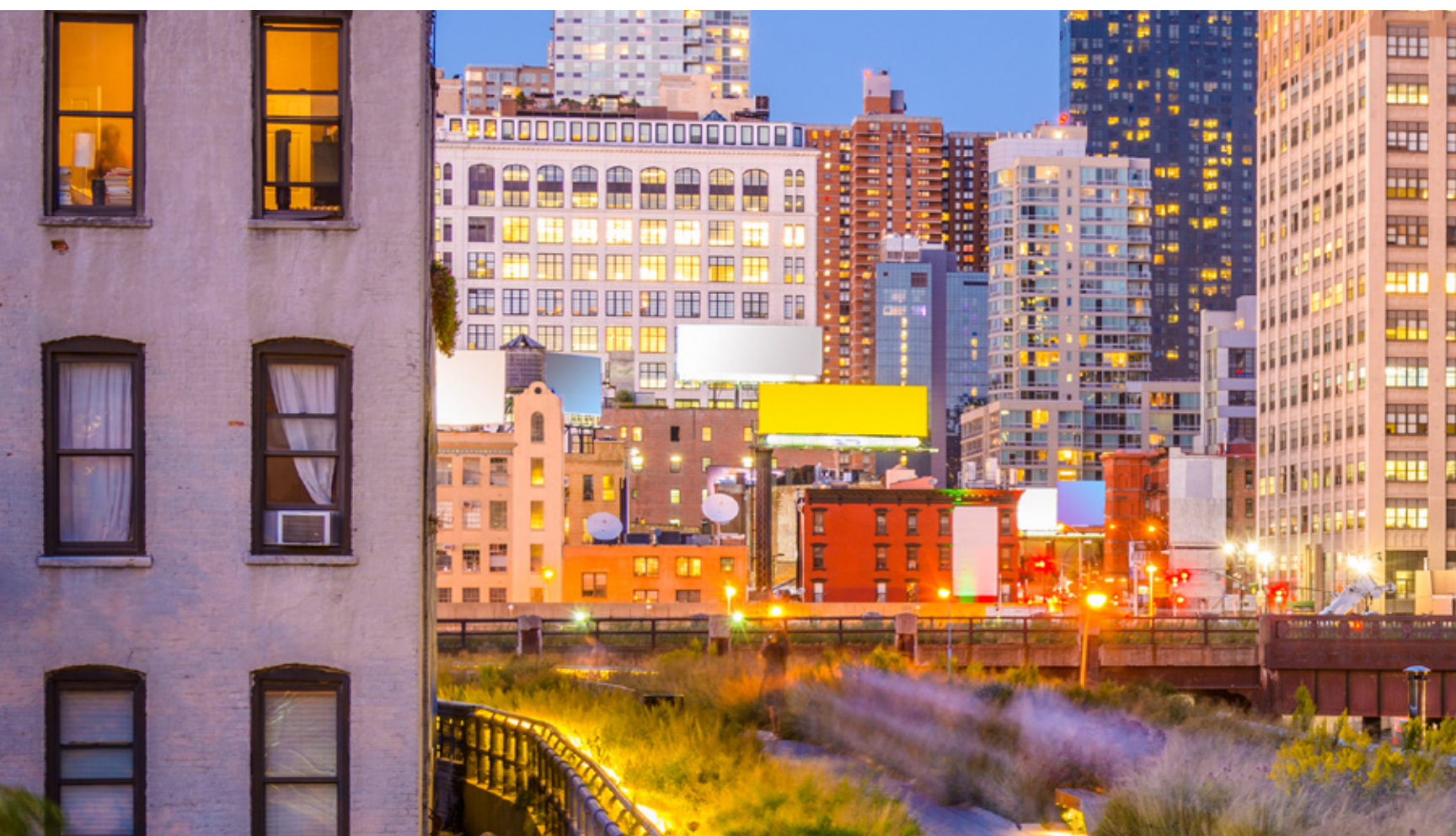
- Provide sellers with an in-depth asset evaluation
- Develop and implement an full-scale marketing campaign
- As seller's representatives, we assist purchasers with financing, due diligence, own vs. lease analysis, appraisal, environmental and legal review

Buyer Representation

- Utilize our exceptional market intelligence and unmatched experience to identify purchase opportunities
- Provide a deep pool of relationships with lenders, attorneys, appraisers, architects and contractors

Condominium Conversion

- Provide support to developers and investors with acquisition analysis, underwriting and capital sourcing
- Assist with the preparation and submission of the condominium offering plan for Attorney General approval
- Develop and implement an best-in-class marketing and sales campaign



Clients Represented



EXTELL

THE CARLYLE GROUP



CapeAdvisors

LIGHTSTONE



MARCUS & POLLACK LP



CANALI
1934

VORNADO
REALTY TRUST

CAMMEY'S INTERNATIONAL GROUP



ATNY
DESIGN

Nancy Graves Foundation

EJME

EDWARD J. MINSKOFF EQUITIES, INC.



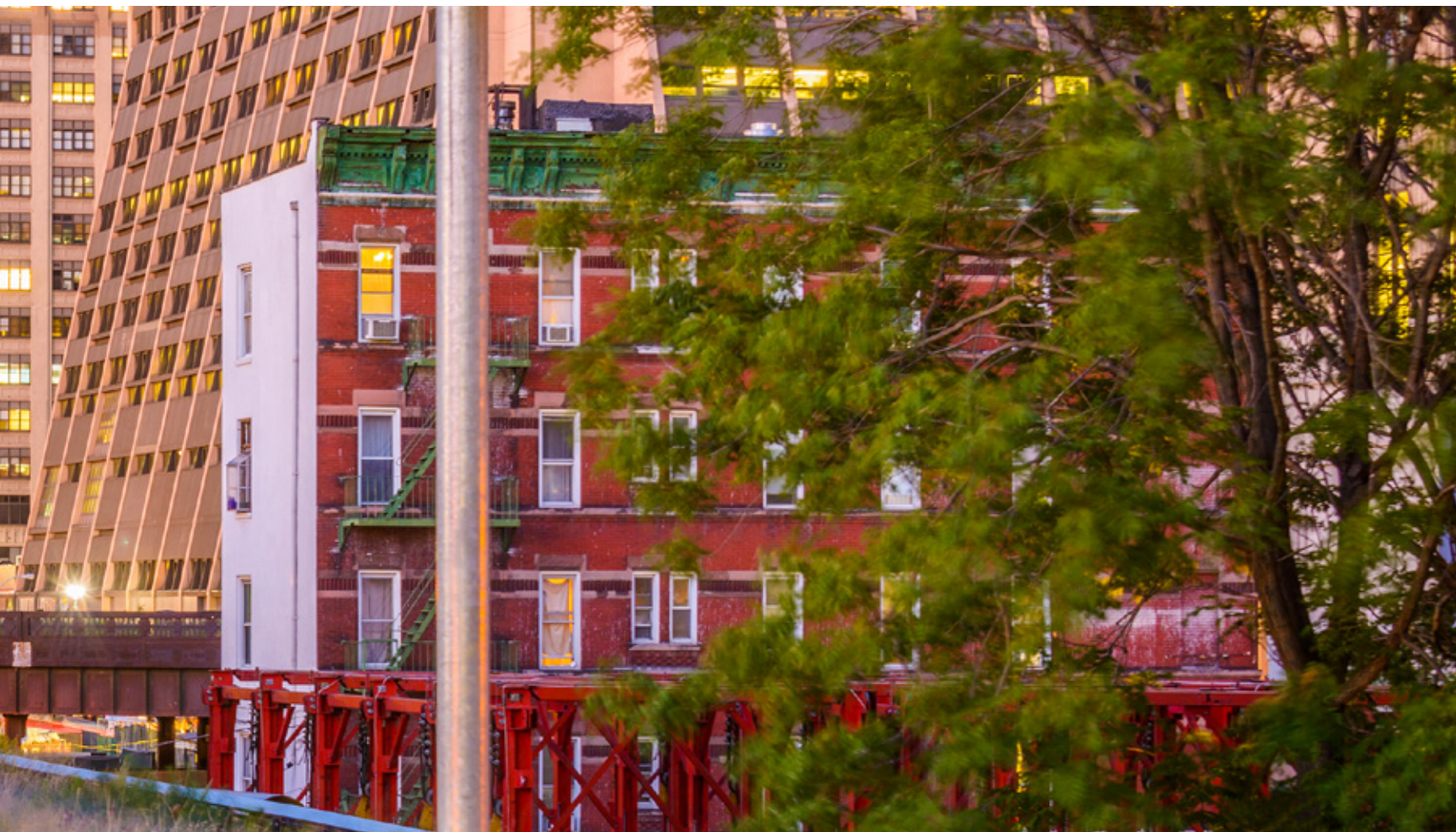
WITKOFF

Cignature
Realty

DAROFFDESIGN
DAROFF DESIGN INC • DDI ARCHITECTS, PC

HRC
GROUP

aurifybrands



Why Buy Office Space

Office condominium ownership reduces occupancy costs, increases equity and secures a permanent space for your business or organization. Some of the key advantages to office condominium ownership include:



Occupancy Cost Savings

The annual cost of office ownership is less than the cost of leasing. Current market lease rates far exceed current condominium carrying costs, which includes annual common charges and real estate taxes. Additionally, most non-profit and government organizations are exempt from paying real estate taxes on property they own, including office condominiums. They must pay real estate taxes when leasing office space.



Stabilized Occupancy Costs

Office condominium owners are insulated from the escalating and unpredictable costs of leasing office space. An office owner's occupancy costs remain stable and predictable, allowing for precise expense projections and accurate budgeting, whereas office tenants are subject to the volatility of the leasing market and unpredictability of landlords.



Capital Cost Savings

From office furniture to glass conference rooms, designing and building an office space requires a significant investment. When a business cannot renew its lease, it loses this investment and must then move and make another such investment. By owning office space, businesses can avoid this expense and justify a high-end buildout.



Attractive Financing Options

A variety of financing options exist to make owning an office condominium more affordable for businesses and non-profit organizations. Interest rates are at record lows, and borrowers can often find loans as high as 90% for SBA loans, inclusive of construction cost.



Selling for a Profit

Historically, the value of the office condominium market has always increased over a 10-year period. Every owner/occupier who has sold their office space over the past 10 years has done so profitably.



Investors

With the wild fluctuations in the stock market, investors look for a secure place to put their money. Stable, predictable investments can be challenging to find. One of the most secure investment vehicles is an income-producing office condominium.



KILLARNEY
ROSE

STOP



How Property Owners Benefit From Office Condominium Conversions

While office condominiums represent only 2% of Manhattan's 500 million-square-foot office market, demand is far greater. Demand outweighs the available supply as businesses, nonprofits, foreign governments and medical professionals alike realize the many benefits of office condominium ownership. In contrast to a traditional office leasing strategy, an office condominium conversion provides real estate investors and developers a higher rate of return in a shorter period. This helps investors and developers win more deals by being the highest bidder on office building acquisitions.



Demand Outweighs Supply

Traditional office leasing is an ultracompetitive market. In a sea of office buildings offering comparable amenities, it can be hard to stand out, and leasing availabilities are a dime a dozen. In contrast, office condominiums are rare and highly sought after. With no new office condominium conversions in the pipeline, the supply/demand imbalance will continue—which presents an opportunity for investors and developers to stake their claim in this growing and profitable market.



Flexibility

In a traditional office investment, you have limited options to generate returns. You can sell, hold or refinance. With office condominiums, you can break your singular investment into multiple pieces, providing you flexibility to pursue four investment scenarios:

Scenario 1: Full Sellout

Sell all the office condominium units over time to owner/occupiers.

Scenario 2: Partial Sellout

Start by selling the vacant or otherwise undesirable units to owner/occupiers. This allows the sponsor to pay down their debt and lower their basis. The sponsor will then maintain ownership of the occupied, desirable units and keep collecting rent. When additional capital is needed, the sponsor can sell more units and/or refinance the remaining unsold units.

Scenario 3: Partial Sellout/Bulk Sale

Sell most or all of the vacant units to owner/occupiers and then sell the remaining occupied units as a bulk sale to an investor.

Scenario 4: Investor Units

Sell the occupied units one by one to small investors at premium prices.



Low Risk

The sponsor can gauge the interest of the market while the condominium conversion process is still underway. The Attorney General refers to this as a CPS-1 filing, or a “test the market” period. It takes less than 30 days and \$10,000 to obtain a CPS-1 filing. If the sponsor isn't happy with the level of interest or decides to sell the property outright, the condominium conversion process can be abandoned at any time. The legal, architectural, and filing costs of a full condominium conversion are estimated to be less than \$200,000.

If the building will only be divided into several condominium units, the sponsor can file a “no-action letter” with the Attorney General, which is quicker, easier, and less expensive than a full condominium conversion plan.



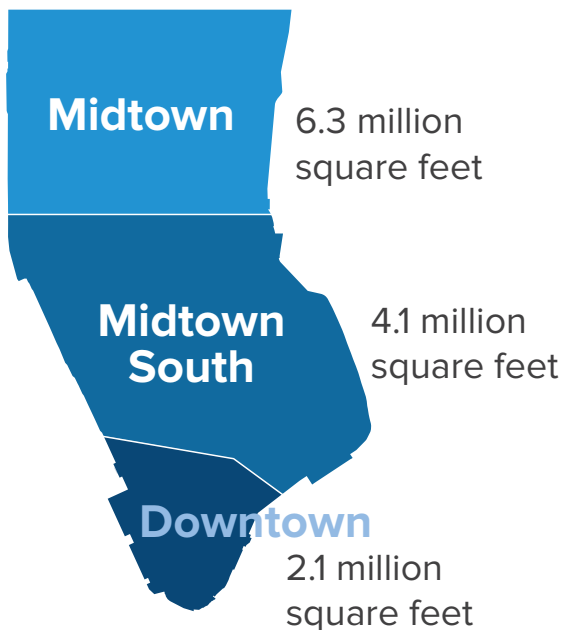
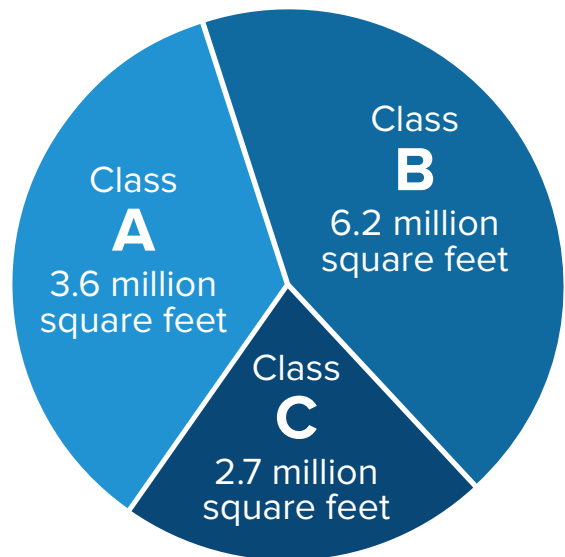
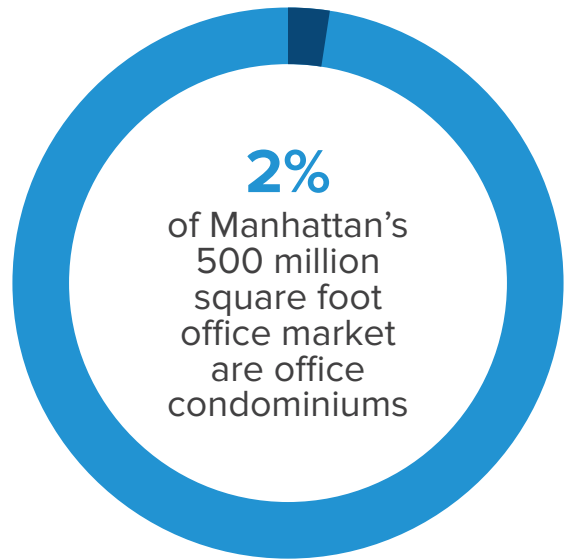
Brand Exposure

When a Manhattan office building sells, you'll typically see a small blurb in the news but rarely more, as it's a common occurrence. On the other hand, an office condominium conversion is rare, thus often generating significant coverage and often in top-tier publications like the New York Times. Investors or developers embarking on an office condominium conversion have an opportunity to establish their brand as one that's forward-thinking, creative and contrarian.

Market Overview

Office condominiums exist in nearly every market in the US and are particularly prevalent in Europe and Asia. However, they have been a small niche in New York City. Office condominiums represent only 2% of the 500 million-square-foot office market.

There are 113 office condominium buildings in Manhattan, totaling 12.5 million square feet.



RPG Publications

The RPG Office Condominium Market Report provides a bi-annual overview of the Manhattan office condominium sales market and it includes historical sales data, an in-depth look at the submarket sales statistics, and the citywide office condominium availability rates.



Marketing Portfolio

RPG creates institutional quality sales campaigns with effective brand identities and creative marketing strategies.



Bryant Park
Office Condominiums at

32 W 39
NEW YORK, NY

Adjacent to Amazon's
Fifth Avenue Headquarters





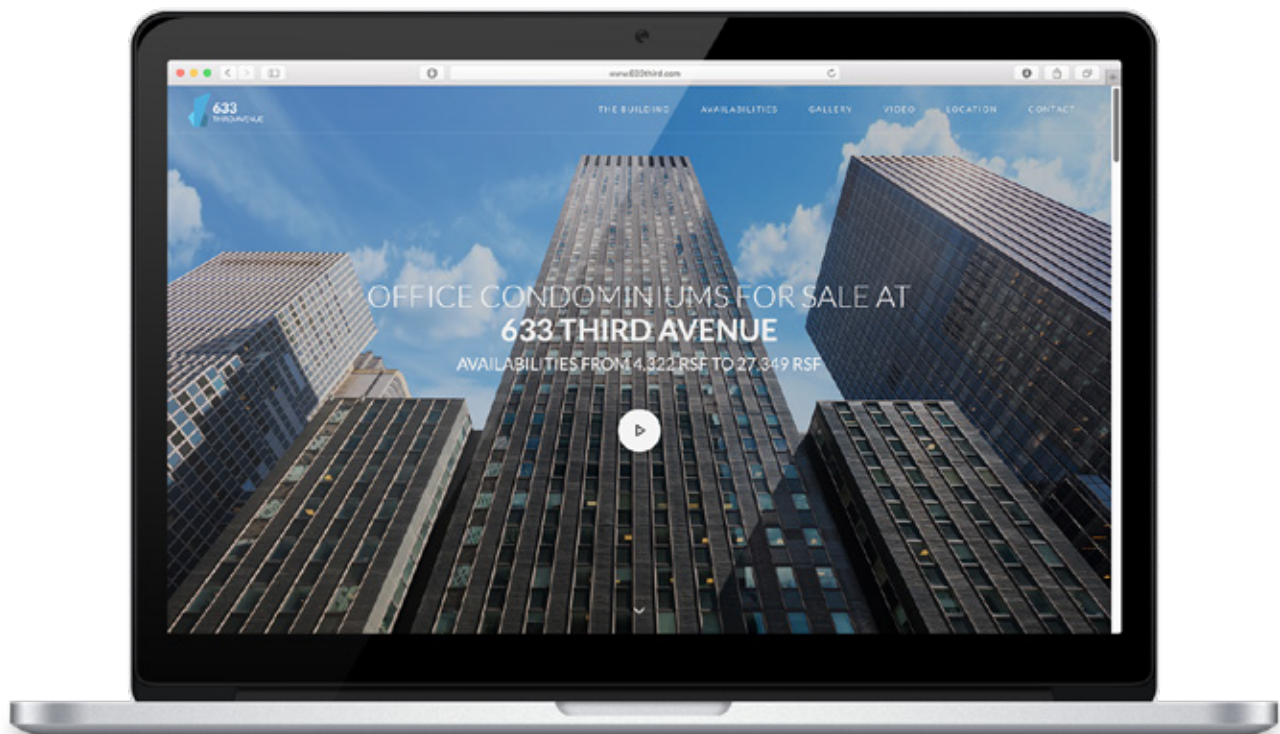
OFFICE CONDOMINIUM FOR SALE

THE BAR BUILDING

36 WEST 44TH STREET
NEW YORK, NY

between Fifth and Sixth Avenues





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