

Bluestone is cleaning up the real estate industry: Company buys buildings, revamps them into homes

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This firm's a landlord in shining armor. Since January, the Bluestone Group has rescued three Bronx tenements in distress.

Now it is ready to snap up six buildings owned by jailbound slumlord Sam Suzuki.

"A happy tenancy is a successful deal," said Bluestone Group principal Eli Tabak. "We want people to know we care."

Tabak and two partners launched Bluestone in 2006, but the firm found its niche in 2008, when the housing bubble burst.

Before the market crashed, Bronx landlords overborrowed and raised rents to make quick bucks. After the crash, they missed mortgage payments and abandoned apartments to rot.

Now banks like JPMorgan Chase hold the keys to many Bronx buildings but don't wish to become permanent landlords.

Enter Bluestone. The Manhattan-based firm buys the debt and renovates troubled buildings.

Tabak and team own and manage about 800 apartments throughout the Bronx. Although Bluestone buys at a discount, it doesn't flip buildings, said Tabak.

Six months ago, 1151 Elder Ave. in Bronx River had more than 600 maintenance violations for exposed wires, broken doors and leaky sinks. It was one of the city's 200 worst buildings, according to the Department of Housing Development and Preservation. Thanks to Bluestone, the number of violations has fallen drastically.

Three months ago, 1129 St. Lawrence Ave. in Soundview had 305 violations. Tenant Barbara Skinner, 77, hated the mold above her bathtub and her broken windows.

The building's front door had no lock and mice roamed the hall, said her son, Marvin Skinner. Conditions were so bad the city refused to house homeless and needy people there.

Today, only seven violations remain. The front door has an intercom, the roof has an alarm and the lobby has chandeliers.

"They put in a new bathroom," said Marvin Skinner. "We feel safer and the building is improved."

Now the renovated building can house the homeless and thereby "help the community," said real estate agent Simone White, who works with Bluestone.

While some landlords "roll the dice" - assume large debts but pay zilch upfront - Tabak and team pay in full, he said.

Bluestone's private investors "would rather write a big check" on a sure bet than write a small check and demand a spectacular return, Tabak added.

With 1151 Elder and 1129 St. Lawrence on the mend, Bluestone has started work at 1105 Stratford Ave. in Bronx River and is in talks to grab the six distressed buildings that Suzuki bought last year.

Sued by tenants when his firm failed to complete repairs, Suzuki was ordered behind bars last week.