

Witnesses Portfolio ‘Better Maintained Than The White House,’ And What Its Latest Offering Could Become

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21 Clark St, a 16-story, **314k SF building** dating to the 1920s, was bought by the religious group in 1975. They’ve since used it as a dorm for members.

It was built as a hotel and opened in 1928 as the Leverich Towers Hotel. It was known for hosting the **Brooklyn Dodgers** when they were in town for home stretches.

The property has an outdoor terrace covering most of its roof space—a feature not often found on buildings of its vintage but very much in demand at **newly built hotels** like the Standard High Line and the Hotel on Rivington.

Could 21 Clark St find its way back to its roots as one of the **premier hotels in Brooklyn**?



Image: Bisnow

LW Hospitality CEO [Daniel Lesser](#) says it's probably too early to say.

"At the end of the day," Daniel says, "the building is **spectacular**, there's no question about it."

While overbuilding in the city's hotel market has been [among the big topics](#) of late, Daniel reminds us this may not be the case after a deal goes through and the necessary permits are filed—a timetable he pegs at **three to four years** if a buyer should decide to return the property to its hospitality roots.

Daniel says something to look out for could be a **mixed-use residential/hotel concept**, which Toll Brothers City Living and Starwood Capital Group will soon open a few blocks away at the [Pierhouse](#) development in [Brooklyn Bridge Park](#).



Image: Bisnow

But the allure of a **quicker injection of cash** may be too much for the asset to become a hotel again, says Terra CRG's **Dan Marks**.

"If I'm betting, my bet is that whoever buys the building will turn it into **luxury condos**, because that's the use that's likely to yield **the best return**," Dan tells us.

For the right buyer, a tight lending environment should be a hurdle that **can be cleared**.

"There seems to be an **unlimited supply** of people wanting to live in Brooklyn Heights," Dan says, "and in an area that's in such high demand and so well established, developers are willing to be **more aggressive in their underwriting**."

The Witnesses' portfolio has included as many as **37 buildings** spread across Dumbo and Brooklyn Heights.

The most recent of them to sell was a 150k SF residential building just down the street from 21 Clark St, at **124 Columbia Heights**. Florida Panthers owner **Vincent Viola** paid **\$105M** for it.



On the right is CPEX's [Tim King](#), snapped at a *Bisnow* event with LIVWRK's [Asher Abehsera](#), a part owner of a chunk of the Witnesses' former Brooklyn holdings.

Among the things that distinguish the portfolio, Tim says, is that the organization has been a **good steward** of the buildings.

"I've **never seen** any properties kept **in better shape**," Tim says. "Anyone who buys them will be happy that they did and they won't need to spend a dime on upgrades to infrastructure."

Tim, who tells us he attended a breakfast at the **White House** about a decade ago, goes as far as to say the buildings are better maintained than **the presidential residence**.

The largest chunk to date of the massive portfolio belongs to a JV of **Kushner Cos, RFR Realty and LIVWRK**.

Among the properties the trio of developers have acquired, or are in the process of acquiring, from the Jehovah's Witnesses are a six-building complex they've dubbed **Dumbo Heights**, a dorm that they're under contract to buy when the religious organization vacates it; the Witnesses' **733k SF former HQ**; and a 135k SF development site with 1.1M SF of development rights at **85 Jay St**.

A total of **eight of the properties** in the portfolio are still in the hands of the Witnesses.

Sources we spoke with declined to speculate on possible buyers for 21 Clark St or other buildings in the portfolio, but Tim alluded to the possibility that RFR, Kushner and LIVWRK **might not be done writing checks** to the Witnesses.

"I'll say it like this," Tim says, "if the first property they bought had been a disappointment, **they wouldn't have kept lining up** to buy more."