

**ALCHEMY SEEKING DISTRESSED CONDO PLAYS**

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**Alchemy Properties** is looking to buy distressed condo buildings in the New York metropolitan area. The firm seeks to spend \$15 million to \$100 million per deal – including construction and marketing costs – investing its own equity and that of longtime partners such as **Credit Suisse, Jamestown** and **ING**. “If we had \$500 million of deals to do today, we could find the money in a heartbeat,” said **Joel Breitkopf**, partner.

The company is also looking to buy retail properties in New York and its suburbs and rental apartment and office buildings, primarily in Manhattan. It plans to do some work with lenders and owners on a consulting basis. “Our institutional partners have given us the green light to find deals that are opportunistic yet properly underwritten. That said, we have not been and will never be deal junkies,” Breitkopf said.

Breitkopf and partners **Kenneth Horn** and **Gerry Davis** all worked in real estate during the S&L fallout. Horn founded the company in 1990, initially focusing on work-out consulting for financial institutions. The three have always kept an eye on downside risk. “We were always underwriting based on \$1,000 a square foot sales. [In 2006], we were being outbid by 20% to 40%,” Breitkopf said. “While it was frustrating, we weren’t about to start stretching.”

In addition to the principals’ experience, Alchemy hopes to leverage its capacity to do in-house construction and marketing. The firm has built or rehabilitated more than 20 properties in New York since 1996.