

REAL ESTATE WEEKLY

September 26, 2007

Residential Marketing & Brokerage

SECTION C

Developer getting ahead of the crowd

BY MAGGIE HAWRYLUK

In a city known for its cloud-grazing skyscrapers and colossal developments, Kenneth Horn, Esq., president of Alchemy Properties, Inc., is among a rare breed of New



KENNETH HORN

York developers whose goal is to work small, but think big.

“The themes are very simple. We do high-end renovation with the objective to

sell below market value,” he said. “We build ourselves and do our own marketing. It’s much more efficient and you can’t point fingers if there’s a mistake.” Alchemy’s goal, according to Horn, is to concentrate on renovating con-

dominiums in small properties and building on small lots — his buildings average about 60 units — and focus on ensuring the highest quality and most interesting architecture for their buyers.

“We want to build with texture,” he said, referencing his latest project, the Indigo Condominium at W. 21st that will have a zinc exterior. “When glass and

steel was in vogue, we wanted to steer clear of it.” Any questions whether Horn’s business model is a success can be answered by his sales numbers. The 51-unit Indigo, on W. 21st St. in Chelsea, is 65% sold, the 45-unit Lookout Hill, 199 State St. in Brooklyn, has one unit left and the 46-unit Oculus, W.

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15th St. in Chelsea, is 78% sold.

"We try to sell all the units before they're finished," he said, adding that Alchemy co-brokers every property using their own internal system rather than a Multiple Listing Service.

Horn was especially pleased by the sales at the Oculus, which is set to be completed in May 2008. Thirty six units were sold using no advertising, but rather word-of-mouth after floor plans of the building were shown at a broker open house.

Another project close to his heart is Lookout Hill.

"It's our first project in Brooklyn," he said. "Growing up in Brooklyn, I always envisioned people from Brooklyn Heights as being the richest people in the world, so there's a big sense of accomplishment building there."

Horn, 50, earned his bachelor's degree in American history at Brandeis University and then attended the University of California for law school. After practicing real estate law for four years, he switched gears and ventured into the food industry by founding and running a gelato company called "Gran Gelato." He later sold the company and began work with a developer.

"I always loved architecture and construction," Horn mused. "As a real estate attorney, I found myself more interested in what they were building than advising." He began Alchemy Properties in 1990 in Manhattan while he was in his 30s. "I decided it was a good of time as any to take a risk. New York was coming back in the mid 90s," he said.

"I am very fortunate and grateful. As smart as we've been, we've also been

very fortunate and lucky, and we don't forget that."

Though Horn admits that starting the company was a major risk both for himself and his young family, his three children were all under the age of five at the time, his wife supported him 100%. His first transaction required that he borrow at a very high interest rate. "I took a gamble. Nothing ventured, nothing gained," he said. "Had I not succeeded I would've learned from

it and applied it to my legal career, but thank goodness I did."

Horn knew the fierce competition he was facing by trying to compete with big-name, highly-established developers in Manhattan, so he decided to find his own niche. Instead of trying to obtain large lots in highly-coveted areas of the city, Horn was content on focusing all of his energy on smaller lots on the edge of an established

neighborhood. He built in Chelsea just before the area became trendy.

"You have to be bullish and believe that the New York City market will be strong," he said. "The nature of our business is risk."

Although Horn believes statistics are a good way to gauge where to build next, he also relies greatly on gut instinct and his faith in the area's industry. "What New York is good at is reinventing itself," he said.

Alchemy has spearheaded 12 buildings in the last five years and Horn planning more projects and looking into rentals without losing sight of his dedication to quality. "Know what you know, do it well, but be open to try new things," he said. ■

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