



**New Jersey firm bets on Queens, buys \$138.8 million apartment portfolio in Flushing and Elmhurst  
Seven of the buildings are located in Flushing, a burgeoning retail and residential neighborhood**

**By Daniel Geiger**

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[http://www.crainnewyork.com/article/20151204/REAL\\_ESTATE/151209927/new-jersey-firm-treetop-development-buys-138-8-million-queens-apartment-portfolio](http://www.crainnewyork.com/article/20151204/REAL_ESTATE/151209927/new-jersey-firm-treetop-development-buys-138-8-million-queens-apartment-portfolio)

Treetop Development has acquired a portfolio of seven residential rental buildings in Flushing, and one in Elmhurst for a total of \$138.8 million.

The deal will more than double the firm's apartment portfolio in Queens since it purchased the 413-unit complex called Saxon Hall in Rego Park in 2013. Treetop is buying the buildings from Algin Management and is financing the purchase with a roughly \$100 million mortgage from ACORE, a lender.

The new buildings have a total of 608-units, almost all of them rent stabilized. New Jersey-based Treetop plans to spend about \$10 million renovating the properties.

"We're not buying in midtown or the Upper East Side or the Upper West Side," said Azi Mandel, a principal at the firm. "We're looking for properties we can improve for the middle class, which we believe is an underserved market in the city."

Flushing has become an increasingly attractive market for real estate investors in the city given its strong transit infrastructure and thriving Asian community. Earlier this year, the Blackstone Group purchased the large retail space at Skyview Parc for \$400 million in order to tap into the market there.

Mandel and Adam Mermelstein, a principal at Treetop, said the firm plans to hold onto the buildings long term and capitalize on the future growth in Flushing.

"We're not running after tenants like some landlords do, trying to induce turnover on the apartments to get them to market rate," Mermelstein said. "Our business plan isn't to push out tenants but hold for the long-term and modernize the buildings by adding amenities and improving their aesthetic appeal."

In addition to its Queens portfolio, Treetop owns about 1,500 residential units in Manhattan and 5,000 units of affordable housing nationally through an affiliate of the company called the Aspen Companies.

While prices for residential property and development sites in prime neighborhoods have skyrocketed, Treetop has focused on more peripheral areas of the city where they can buy property that remains affordable to middle class renters. Following that strategy, Mandel and Mermelstein said they are arranging to buy apartment buildings in the Bronx in the coming months.

Ronda Rogovin, a broker at Eastern Consolidated, handled the sale. The loan with ACORE was arranged by Scott Assouline and Ronnie Levine, mortgage brokers at Meridian Capital Group. Steven Fleissig, an attorney at Greenberg Traurig provided legal counsel in the transaction.