



"It looked like a crack den," said Shannon Maer, 35, standing in an unfinished hallway of his upscale condo building. He still laments paying \$600,000 for his studio. "There's absolutely nobody who has any responsibility to any owners in the building."

Photo: J.B. NICHOLAS/METRO

Condo foreclosures up, more still ahead

Developers bailing, tenants never see planned luxuries

Lured by the promise of a 75-foot long lap pool, Pamela Flakowitz was set to plunge into the luxury condo market.

In 2007, she sank her life savings — and some of her parents' — into a \$565,000 studio in an unfinished Battery Park condo conversion.

She moved in a year ago. Today, the pool is a 35-foot wading pool that only exists on paper. Other areas of the building are still under construction.

It's the first Manhattan building to go through foreclosure with units already sold, said Marc Held, a lawyer for Flakowitz and 46 others at 225 Rector Place.

"Unfortunately, it will be the first of many," he said. "We are the textbook for New York City of what's going to happen."

Josiah Madar of NYU's Furman Center for Real Estate and Urban Policy said they've tracked an increase in condo foreclosures increase over the last 18 months.

"The overall numbers are still pretty small, but given the number of new units coming online, it's definitely worth watching," he said.

Rector Square's developer, who didn't return calls for comment, defaulted on a \$165 mortgage loan. A court receiver now rents out unsold units and oversees the building's completion. Hallways remain uncarpeted and exposed lights hang from ceilings.

Things may soon improve: The lobby should be finished by the fall.

"I thought you never lose money in real estate," Flakowitz, 39, said.

