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**Commercial Real Estate**

# **A Conversation With David L. Shorenstein**

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Credit Earl Wilson/The New York Times

## The 30-Minute Interview

By [VIVIAN MARINO](#)

Mr. Shorenstein, 34, is a founder and principal of Silvershore Properties, a New York-based company that acquires, repositions and develops multifamily rentals and mixed-use properties in [Brooklyn](#), [Manhattan](#) and [Queens](#).

Mr. Shorenstein, formerly a broker with Marcus & Millichap, started the company in 2009 with Jason Silverstein.

*Interview conducted and condensed by*

**VIVIAN MARINO**

**Q.** *How do you split up responsibilities for running the company with Jason Silverstein, the other principal?*

**A.** Jason is more focused on acquisitions, and my role is more for financing and asset management.

**Q.** *You two started the company at a pretty difficult time economic-wise.*

**A.** It was a very difficult time because we had no money, really. I was a broker for five years and decided to leave a very successful brokerage business I built to focus full time on acquiring. And at that time, we bought what we could afford, which was a \$90,000 building in Queens and a \$290,000 building in Clinton Hill that we still own, and a \$1.2 million building in the East Village.

At that time we took risks. We grouped together a couple of partners and we were able to turn a couple of those assets into six or seven other assets that we still own, and we just continued to build from there.

**Q.** *Where do you get most of your financing for these deals?*

**A.** We work with a lot of local banks. And we've worked with investors from time to time on some of our larger deals. Jason and I like to own at least 75 percent of every building. Sometimes we'll bring in a partner for anywhere from 5 to 25 percent.

**Q.** *Most of your properties are midrise buildings in Brooklyn.*

**A.** Yeah, our sweet spot is really \$25 million and under.

We have about 70 properties over all — the value is about \$275 million — and I would say 85 percent of them are in Brooklyn.

**Q.** *Which Brooklyn neighborhoods are on your radar right now?*

**A.** East New York, Brownsville. We just signed a contract to buy a building in Brownsville. Prospect Park South is also a great area where you can find a lot of value. There's great transportation, great retail, great infrastructure.

A lot of our competitors are building buildings. So when you can buy something and be the low-cost provider, we can make out O.K. at the end of the day.

**Q.** *Sounds like business is good.*

**A.** It's very active. We're probably busier than we've ever been. Last year we bought 36 buildings, and at this point we're on target to beat that. So we could end up acquiring over 40 buildings this year.

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**Q.** *What deals are you working on?*

**A.** We're under contract right now for another 21 properties, and the value of those properties that we're buying in the next few months is about \$60 million. They're mostly in Brooklyn; there's two in Queens. We also just bought a building in Manhattan — we own about 12 properties there, a couple of townhouses, multifamily, mixed-use. We only do rentals, and we work with existing buildings. We've never done a ground-up.

**Q.** *Could you see yourselves doing, say, a ground-up condo some day?*

**A.** Maybe. We've been on many sites. Right now we'd rather just buy the existing building at the price that makes sense to us. We know the rents that we can generate, and we know we can generate them a lot quicker buying an empty building rather than a piece of land.

**Q.** *How do you add value to these buildings?*

**A.** We'll look at whether we can add a floor on top to a building. If there are vacancies, we'll renovate. We'll renovate common areas; we'll try to add extra apartments or bedrooms where we can.

And we look for new, up-and-coming retailers that we can partner with. The mom-and-pop that's evolving. Maybe they own two or three pharmacies. These are smaller spaces that lend

themselves to smaller, creative tenants who want to get their first or second space in one of our buildings.

**Q.** *What are your occupancy and rental rates portfolio-wide?*

**A.** For the retailer it's about 85 percent; the residential is about 90 percent.

Retail is anywhere from \$1,250 a month to \$30,000 a month. The average per square foot could be in the \$50s. Residential could be \$1,200 to \$4,000 a month, depending on the neighborhood.

**Q.** *I understand that Walter Shorenstein of Shorenstein Properties, one of the largest office building owners in the country, was a cousin. Did he offer you any advice for your business?*

**A.** I've never even met him. He's a third cousin, and the only thing we share is a distant relative.

**Q.** *Do you miss brokering?*

**A.** No, not at all.