

Simon Baron, Quadrum bet that LIC co-living project will disrupt rental industry

Developers say they'll get more money psf and renters will save, too

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29-26 Northern Boulevard

How does a developer increase rental income while reducing rental costs for tenants? The answer, apparently, is to hope tenants don't mind cramming into smaller spaces so long as there's a pool, dog spa and a golf simulator in the building.

Simon Baron Development and Quadrum Global's new 43-story, 467-unit rental building at 29-22 Northern Boulevard features 14 floors of co-living units, which they claim is the largest ground-up co-living development in the country.

The developers tapped [Ollie](#) to manage the [co-living](#) units. They think the model could start a trend.

"ALTA LIC is the cusp of what I think will be a major disruption in the rental market," Chris Bledsoe, co-founder and CEO of Ollie, told the Wall Street Journal. "It will just right-size rents to where people's budgets are."

Rents for a bedroom in a co-living unit — which feature virtually no shared space — run between \$1,376 to \$1,880 a month. Residents of co-living units receive hotel-style cleaning, linens, dishes and internet service. That's still cheaper than a studio in the building, which start at \$2,375.

The arrangement also works out for the developers, who get to maximize the price per square foot, said Quadrum's Anoop Rustgi. Quadrum and Simon Baron project that they'll pull in "mid-to-high \$70s" per square foot on the lower floors, while most new buildings average between \$60 and \$65 a square foot in rent annually.

Simon Baron and Quadrum bought the site in 2015 for \$53 million and landed a \$150 million loan from AIG in late 2016. To ease concerns of lenders, they designed the co-living apartments so the units could be converted back to traditional apartments.

Ollie recently raised \$15 million in January to expand its co-living operation. In New York, it competes with Common, WeWork and a slew of others looking to capitalize on the co-living trend.

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