

## PROFILE OF THE WEEK: NELSON MANAGEMENT GROUP, LTD.

# The Chatsworth regains premier status

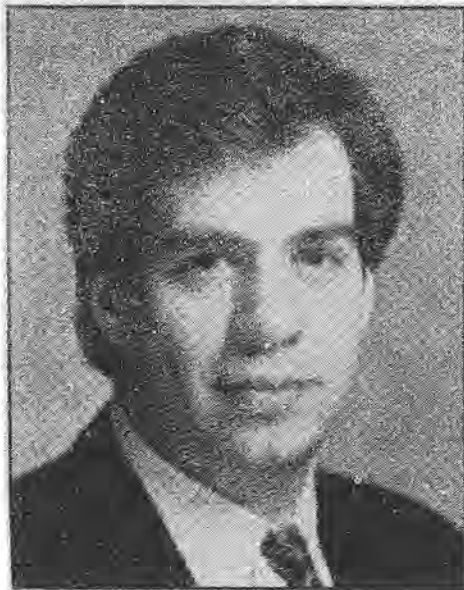
Just a year ago, The Chatsworth was infamous in the annals of New York City residential real estate. An architectural and stylistic landmark. The Chatsworth had been the subject of a major rent strike, hundreds of housing code violations, three different property managers in 10 years, and more legal battles than just about any other rental property in the City. The Chatsworth, located at 346 West 72nd Street, was also teetering on the edge of financial disarray, with monthly expenses outpacing rent collections.

Fast forward to 1996... The rent strike is long over, housing and building code violations are gone, the angry (and justified) tenants association is satisfied with the way the property is being run, outstanding bills are down to \$200,000 from a whopping \$1.38 million, and the annual rental income from the building has increased from \$1.5 million to \$2.1 million. Simply, in the one year since Nelson Management Group, Ltd. took over as property manager, The Chatsworth regained its status as one of the City's premier residences.

"The financial turnaround of the property is one clear indication of the property's vitality, but you'll get the same sense of renewal from talking with the tenants in the building," said Robert Nelson, president of Nelson Management. "A lot of our experience had been working with distressed properties, including workout situations involving nearly 3,000 units during the last 15 years. The Chatsworth might have been difficult for other management companies,

but we felt that it was right up our alley."

Modesty aside, the assignment was hardly a cream puff when Nelson first took over. The first step was to get finances in order. Nelson re-cast most of the building's service contracts to reduce expenses. Nelson made sure the building was in total compliance with all housing and building code-cutting out literally hundreds of costly annual violations and fines from DHCR and other agencies. In addition, Nelson Management immediately wrested back control of eight warehoused units that the prior superinten-



Robert Nelson

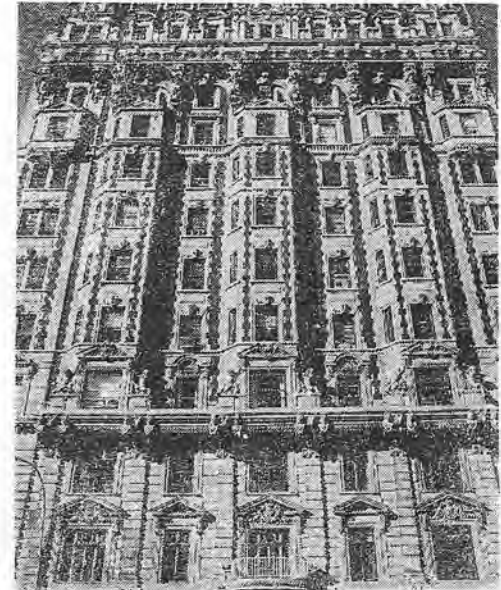
dent had appropriated in his own name and sub-leased for a profit, and put them on the market at fair market rents.

"Residents saw we weren't there just to collect the rents," laments Mr. Nelson. "As a result, we were able to reduce the number of monthly non-payment cases from the rent rolls each month.

"This last part was the most difficult because a number of people had gotten in the habit of late or non-payment because they were disgruntled with building operations; they had to be turned around and that takes sincere effort and time to let trust develop," he said. "Little things mean a lot when it comes to somebody's home, and we were able to build strong bonds with tenants just by delivering on our promises and taking their concerns to heart."

In just one year, Nelson Management has racked up a number of very visible accomplishments that tenants and ownership can both appreciate. An elevator which had been out of service for 13 was replaced with a brand new, state-of-the-art elevator system and cab. The over-worked water towers that had decayed beyond repair, has been replaced by two new, modern, towers. In addition, the building's "landmark" facade is undergoing restoration.

While there is still work to be done in order to fully restore the beautiful residential palace to its by-gone state, tenants and ownership agree that The Chatsworth is now well on the road to a full recovery. All credit Nelson Management for making a



The Chatsworth

difference. "This was always a beautiful building, but Nelson has helped make it a home," said Richard Seader, president, Chatsworth Residents Steering Committee.

"The best part of this story is that when people say that Nelson Management did a great job, I know they are talking about me and am grateful that they recognize and appreciate the fact that the company's principal is directly involved in all activities," Nelson said. "The only way to fix a problem is to have first-hand knowledge of the problem, understand it and then tackle it with all your expertise."