

## PROPERTY MANAGEMENT

# Insurent produces a Square deal

*Lease program aiding swift lease-up at new development*

Columbus Square, the Upper West Side mega-development from the Chetrit Group and Stellar Management, is using the Insurent program to keep deals flowing at the first of the five planned towers at the site.

The Insurent Lease Guaranty Program is an institutional guarantor for residential leases that's completely free to the developer or owner of a property.

Prospective tenants pay a sliding fee to use the service which ultimately protects landlords from defaulting renters.

"With Insurent, many new rental buildings have been able to increase lease closings," said Jeffrey Geller, vice chairman and chief operating officer of Insurent Agency Corporation.

"By serving as a guarantor to creditworthy tenants who would not have otherwise met the landlord's financial requirements, Insurent enables developers to lease-up projects quicker than expected, while providing full protection against possible rent loss. In this time of economic distress, the Insurent Program

is a great tool to reduce vacancies without the landlord having to reduce their credit requirements or take on additional risk."

Jeffrey Davis, general manager of Columbus Square, said, "Columbus Square is pleased to accept the Insurent Lease Guaranty Program."

Columbus Square is a new 710-unit luxury residential and retail project on the Upper West Side. The first tower opened in June and, since being introduced in August, the Insurent program has "helped facilitate numerous lease signings at the property," said a spokesman.

The 359-unit 808 Columbus Avenue was the first to open earlier this summer and, of 200 units now completed, 110 have been rented. Leasing has just started at 801 Amsterdam Avenue and the remaining three rental buildings will be completed in 2010.

According to Insurent, as many as one quarter of prospective renters entering the New York market each



Insurent is helping keep rentals brisk at 808 Columbus (right) the first of five planned towers at the development.

year don't meet the minimum financial requirements of the city's landlords. That includes graduating college or graduate school students entering the job market, non-U.S. residents relocating from abroad without U.S. based credit history, relocating U.S. employees and non-salaried, high net worth individuals — all of whom require some type of credit enhancement such as co-signers or additional security deposits to qualify.

Insurent eliminates the risk of rent loss by replacing the system of individual parent/co-signer guaranty pledges,

additional security, or prepaid rent with an institutional guarantor. The prospective tenant applies and, if qualified, the landlord receives a policy that guarantees payment under the lease. The tenant pays a one-time fee, typically representing 78% of one month's rent. The total process typically takes 24 to 48 hours.

To date, the Insurance Lease Guaranty Program covers approximately 85,000 apartment units throughout Manhattan. Participating owners/landlords include Glenwood, Related, Manhattan Skyline and The Lefrak Organization.