

# THE REAL DEAL

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## London-based Forum acquires stake in Dermot Co.

CEO William Dickey steps down; firm to spend \$750M on NYC real estate within 18 months

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From left: William Dickey, Stephen Benjamin, Russell Platt and a rendering of 66 Rockwell Place in Downtown Brooklyn

London-based investment firm Forum Partners acquired a 50 percent stake in the Dermot Co., one of the city's most active developers of rental apartments, *The Real Deal* has learned.

The undisclosed investment – plus a stake in four of Dermot's major properties – coincides with a planned leadership change, as CEO William Dickey steps down from the company he founded in 1991. Stephen Benjamin, formerly Dermot's principal and chief operating officer, was named chief executive.

"At some point you have to exit the stage," Dickey, 72, told *TRD*. "I envisioned a company, led by Steve, that would continue to operate."

"We've accepted the baton," Benjamin said.

Benjamin, along with current Dermot executives Drew Spitler and Andrew Levison, said they acquired Dickey's stake in the company and the four properties in question, in concert with Forum and other unnamed investors. Both are now principals; Spitler is Dermot's director of development and Levison is director of acquisitions and asset management.

By bringing Forum in, Benjamin added, “We’re hoping to grow our capital base to make significant investments here in New York.” He said Dermot was somewhat less active over the past two years as Dickey transitioned out of the CEO role. “Now, we’re very eager to grow.”

Forum CEO Russell Platt told *TRD* that Dermot would deploy more than \$750 million over the next 18 months in new developments, recapitalizations and acquisitions.

Forum had been looking to invest in the U.S. “for some time,” he said via email. “Dermot is a highly regarded firm that has created an impressive platform in New York City.”

Along with its investment in the Dermot Company, Forum acquired a stake in four of the developer’s properties, including [66 Rockwell Place](#), a 633-unit rental building in Downtown Brooklyn; 21 West End Avenue, a 616-unit luxury rental set to open in 2016; Moda, a 346-unit building in Jamaica; and Arabella, a 78-unit rental building in the East Village.

Overall, Dermot currently manages \$1.5 billion in assets and it owns or manages 3,000 apartments.

Dickey said he retained partial ownership in several projects, including Pier A in Battery Park City. He also acknowledged the market is changing, but said that was not a reason for his retirement.

“It’s a highly competitive business, more so than in the past,” said Dickey. “The costs of development are very, very high and it’s especially difficult to [develop] rental properties. ... Sites that might otherwise have been available as rental sites, now you’re competing with condo developers.”

Earlier this year, Dermot sold a 32-building multifamily portfolio to Douglas Eisenberg’s A&E Real Estate for north of [\\$360 million](#), as *TRD* reported. With the deal, Dermot divested nearly all of its non-new construction assets in the city, sources said.

Benjamin told *TRD* that going forward, Dermot would invest in existing rental apartments and ground-up development projects. “It’s about finding high-quality projects that we feel strongly about,” he said.