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Checking in with Bobby D.

Robert De Niro expands real estate empire with new Nobu mixed-use developments

By Adam Piore

The Raging Bull of the cinema is turning into the Godfather, or maybe Goodfella, of real estate.

In recent years, Robert De Niro has developed a global profile among foodies through his partnership in the Nobu restaurant chain. Along with celebrity chef Nobu Matsuhisa, managing partner Richard Notar and producer Meir Teper, De Niro has opened some 31 different restaurants in 16 different cities around the world, including Hong Kong, London, Tokyo, Milan and Mykonos.

Now De Niro and his partners want to leverage their brand by creating Japanese-themed developments with chichi hotels and residences throughout Europe, Asia, the Middle East and Africa, among other places. It's an extension of a long-running interest in real estate for the Academy Award-winning actor.

The first of the new luxury, mixed-used developments is slated to open in the Herzliya Marina, the "Riviera" of Israel's Mediterranean Coast, in 2010. And Downtown developer Kent Swig recently announced he will build a Nobu development in New York City at 45 Broad Street in the Financial District. The project will include a 62-story glass tower that will house a 128-room, five-star hotel, 77 luxury condos and a Nobu restaurant.

Swig is the sole owner of the development site and the building. De Niro and his partners will manage the 128-room hotel and have a long-term lease on the Nobu restaurant, Swig said.

"It's a logical extension for them," said Swig of the new developments. "Sushi restaurants are the most complicated to run, because everything has to be just right. They already have an accounting system, which is huge, and massive human resources. They do everything in the hospitality business now, except, frankly, making beds. And that's pretty easy to do."

De Niro declined to be interviewed for this article. But the Nobu hotels are just the latest additions to the burgeoning real estate empire he has been building for two decades in New York, which has been largely centered in Tribeca. He first hit the local real estate scene with the Tribeca Grill. (He still reportedly owns a 30 percent stake in the venture.) In the 1990s, he also began using a Delaware company called Guess Again Realty to buy and sell condos at 100 Hudson Street, according to property records reviewed by the New York Daily News.

Now, nearly 20 years later, his first hotel project — the 88-room Greenwich Hotel in, of course, Tribeca — has opened, with nightly rates beginning at an eye-popping \$625.

The hotel, which premiered April 1, hit some well-publicized speed bumps. The restaurant received a

scathing review from New York Times critic Frank Bruni after staffers spilled wine on his date and kept him waiting almost an hour for a table. Meanwhile, De Niro was forced to appear at a hearing before the city's Landmarks Preservation Commission after preservationists complained that the hotel's rooftop suite did not match the design they approved in 2004.

Still, by most accounts, the hotel and restaurant have been packed and are generating the kind of celebrity buzz De Niro has enjoyed since launching Tribeca Grill. Among the celebrity sightings, dutifully recorded in tabloid gossip pages: Liam Neeson and Natasha Richardson, Ed Burns and Christy Turlington, and Mary-Kate Olsen, among others.

"From what we're hearing in talking with people down there, the property is doing very well," said Eric Lewis, managing director of Cushman & Wakefield's hospitality and gaming group.

Throughout his career, De Niro has leveraged his Hollywood name to draw attention to his projects. But he's also been careful to add to that brand by backing projects that target high-end markets and trade on Hollywood-style, velvet-rope exclusivity.

In 2005, he and a partner developed the Loft Residences at 116 Hudson Street, a five-unit condo development with 4,000 square feet of retail space. The pair had purchased an existing building and an adjacent lot, and merged the two to create double-wide, full-floor lofts, shelling out some \$14 million to develop the property.

The design, which integrated the old and the new with a glass curtain wall façade, won architecture awards, said the exclusive sales agent on that development, Sean Turner, executive vice president of Stribling & Associates. The lofts quickly sold out, with the top property breaking a record for a non-doorman penthouse at the time when it sold for \$5.2 million.

Turner has since resold two of the condos at a 20 percent premium, she said.

"He's a magic name, and he backs it up with real vision and real taste," Swig noted.

That name seems to be carrying the same weight in Israel, where his project is in the works.

"Robert De Niro in Israel is highly regarded," added Danny Rubinstein, a British developer and investor in the new project. "I think Nobu, associated with Robert De Niro, has sex appeal."

Family in the business

Glitz and glamour are not the only advantages De Niro brings to the table: He's also got real estate in his blood. Perhaps that is what is driving a man who has already made millions to expand his second career.

De Niro's uncle, Jack, has been in the business for 45 years, beginning in commercial in the early 1960s, and then founding the residential brokerage firm JC De Niro, which now has offices in New York and Florida.

"I have three daughters, all three of whom I license," Jack De Niro told *The Real Deal*. "Lauren is my granddaughter, and she works with my daughter Linda, who also does real estate in New York and Florida."

Robert De Niro's son, Raphael, meanwhile, is an up-and-coming broker at Prudential Douglas Elliman,

where he runs his own group specializing in upscale apartments. He will serve as the exclusive agent on a number of the Nobu Residences around the world.

He also declined to be interviewed for this article, but in past interviews, Raphael has played up the family real estate connection.

"Most people don't know this, but my grandparents on my father's side were key pioneers of Soho real estate," he told *The Real Deal* in 2006. "They were bohemian artists from the Village, and they were some of the first to convert commercial warehouses to live/work spaces Downtown."

As a child, Raphael recalled, his grandmother taught him that "all great fortunes rest upon real estate."

Looking ahead

British developer Rubinstein said De Niro has been taking an active role in planning for the opening of the first Nobu Hotel. For the last nine months, the group has been holding regular design meetings with the Rockwell Group, which is designing the hotel, and the other partners on the project.

Along with Rubinstein, De Niro and his Nobu partners, other investors on the Israel project are Adi and Irit Strauss of the Strauss Group, a family-owned food and beverage company with more than \$1 billion in annual sales, and the Tidhar Group, a real estate development firm that has built more than 11,000 residential units in Israel and Eastern Europe.

De Niro has given a lot of input on "the design, on the atmosphere and on the furniture," Rubinstein said.

"When somebody walks into the Nobu hotel, they [will] know that they are in a Nobu hotel. It's the atmosphere, it's the food, it's everything about it."

Rubinstein said each unit will have a lounge, and each bedroom will have a "signature item" and look to it, using different kinds of fabrics and colors, and will include handcrafted finishings. The residences will offer expansive terraces with sweeping views of the Mediterranean Sea.

The pool area, Rubinstein added, will have "very exclusive cabanas"; the bar will include waterfalls and be "very, very creative." De Niro, he said, had pushed hard for those types of touches at the design meetings, and may even have suggested the waterfalls and cabanas. The restaurateurs, meanwhile, are working on a Nobu breakfast.

"Israel doesn't have a Gramercy [hotel]. This is the first boutique hotel ever built in Israel. It's got a very strong name. I think it is just going to generate a tremendous buzz about it, it's going to be very popular," he said.

The project came about when Rubinstein had a meeting with De Niro and his partners, and accompanied them on a trip to Abu Dhabi to look at the most recent addition to the Nobu chain, a property being developed in Dubai by Sol Kerzner, chairman of the board of Kerzner International, which runs the Sun City Resort in South Africa, Atlantis in the Bahamas, and the Mohegan Sun casino.

"Originally we were talking about opening up a Nobu restaurant, and they said they were going to go into hotel and restaurants, and I said how about doing this as one of your first properties?" Rubinstein said. "They didn't plan on doing it in Israel, but they saw a good relationship, saw good properties, and they knew we would use David Rockwell, and that was critical to them," Rubinstein said.

"Generally what Robert De Niro wants is a 'wow' effect."

How the empire began

Robert De Niro's real estate empire started in the 1980s, when the actor was living Downtown near Drew Nieporent's restaurant Montrachet. To hear the celebrity restaurateur tell it, De Niro would come in and "sit at the last table with his back to the restaurant," to preserve his anonymity.

In an interview last year with a television reporter, Nieporent recalled that the actor took him aside one day, and suggested the two of them open a restaurant in an abandoned warehouse down the street. The pair walked over to Greenwich and Franklin.

"I tried to elicit from De Niro what his ideas were, and he couldn't quite articulate exactly what his ideas were, and I got a sense that if I led it a little bit, 'do you like this place, or this place?' And it evolved from there," Nieporent said.

The Tribeca Grill opened in 1990 to widespread acclaim for its food and massive buzz for its celebrities. After that success, De Niro took on other ventures like buying the Tribeca Cinemas, which has three screening rooms and two bars. He holds a 50 percent stake in that Varick Street venue. And, he's also the big name behind the famed Tribeca Film Festival, which he started after the 2001 World Trade Center attacks.

De Niro's initiatives, said Jeffrey Roseman, a principal at Newmark Knight Frank, turned the neighborhood "from a sleepy no-name area to one of the hottest markets in the country."

The Tribeca Grill "was sort of a celebrity place, and I think people wanted to check it out and understand it," Roseman said. "But it turns out he was truly vigilant about helping the area. He was there all the time. I think he did it because he liked the area. He wasn't a real estate speculator, and it worked for him."

Nieporent remembered De Niro as mostly hands-off when it came to the details, occasionally weighing in on design.

"We put the bar in when we were still in construction, and he said, 'I think it's too high, I think you have to bring it down an inch,'" he said. "There are times when I will sort of compromise to idiosyncratic things like that."

"Over the years, he will call when he is upset about something; rarely will he call me when he is happy about something."

It's De Niro's ability to wheel and deal Hollywood-style that has won him the most plaudits from associates.

At Tribeca Grill, De Niro recruited a syndicate of investors that included Bill Murray, Sean Penn, Lou Diamond Phillips, dancer Mikhail Baryshnikov and rap impresario Russell Simmons, ensuring hype that "was excessive," according to Nieporent.

"He certainly was the catalyst for putting all of this together, and Nobu, he deserves all the credit for that, too," he added.

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