

BISNOW

Weekend Interview: Alchemy Properties' Ken Horn On Working With Churches To Solve The Housing Crisis

December 6, 2024 [Sasha Jones, New York City](#)

[This series](#) goes deep with some of the most compelling figures in commercial real estate: the dealmakers, the game-changers, the city-shapers and the larger-than-life personalities who keep CRE interesting.

[Alchemy Properties](#) President and founder Ken Horn is one of the few developers who looks at a religious property redevelopment proposal and says, “Hallelujah!”

After all, repurposing one of the [25,000 religious organizations](#) and church properties in the New York City metro area requires not just working with the congregation but oftentimes also officials in New York City’s Landmarks Preservation and Zoning commissions. Developers also have to navigate the structural engineering of what are unique, decaying buildings.

But in a city where prime land is hard to come by, century-old churches looking for rehabilitation offer building opportunities — if you’re creative and stubborn enough.



Courtesy of Alchemy Properties

Alchemy Properties founder and President Ken Horn

“It is not an easy task,” said Horn, who has partnered with religious institutions on five projects.

The developer worked with Xavier High School to construct a facility for the Catholic school on the lower six floors of a new condominium development at 35 W. 15th St. Alchemy attached that space to the school next door and used the institution’s air rights to build residential units on the seventh through 24th floors.

On Billionaires’ Row, Calvary Baptist Church approached Alchemy after it realized \$20M worth of work would be needed to rehabilitate the building. There, Alchemy has nearly completed a 260K SF boutique office tower with a new church, community space and a basketball court — all of which belongs to Calvary.

“We built a cathedral within the confines of a glass building,” Horn said.

On the [Upper West Side](#), at 165 W. 86th St., Alchemy has partnered with West-Park Presbyterian Church to build a residential tower with a new home for the church inside. It has been a source of conflict within the community, [triggering a legal battle](#) between preservationists and the church.

The landmarked property, built in the late 19th century, is disintegrating. The church says it [would take \\$50M](#) to restore the building. Under the plan with Alchemy, it would not only have a new home within a residential development, but it would also create an endowment for the church.

But earlier this year, the church had to withdraw its application to lose its landmark status. It awaits a court ruling to move forward on its plan to raze the building and start anew.

“All real estate is emotional to a certain degree. We all know that,” Horn said. “But when you're dealing with a religious institution, and you're dealing with communities who look at the preservation of buildings as being sacrosanct, regardless of whether or not the religious institution can continue to operate in them, it's emotional.”

Horn spoke to *Bisnow* about how he not only maneuvers those emotions but has become the go-to guy for religious organizations looking to revive places of worship or add usage to crumbling buildings.

This interview has been edited for length and clarity.

Bisnow: Why do religious institutions in particular need these kinds of partnerships with developers like yourself?

Horn: Religious institutions in New York are getting hammered for several reasons.

One, congregations are waning, and the existing facilities are getting very old and unsafe. As a result, it's really hurting the ability for these congregations to attract any new worshipers or even maintain their congregations. Landmarking these buildings is the theoretical kiss of death for the congregations. So the choice, to a certain degree, is edifice over congregation.

There are churches all over, especially in many lower-income areas, where the churches themselves have no shot of raising money for rehab because they're landmarked. There's nothing they can do.

Bisnow: So how have you seen this in the buildings you're working with?

Horn: If the city is so eager to create housing, which they are, obviously this concept of working with institutions and not-for-profits that have real estate that has value that needs to be unlocked — where the existing community can either get a new house of worship, new community centers and really drive life into their whole methodology of worshipping — is something that has to be looked into.

Frankly, West-Park has been very, very political. Some people are saying the building's not in such bad shape. It is. We've gotten independent submissions that the engineering, facade, everything you can imagine is scary. The walls are actually separating from the

building. No one quite knows how the building hasn't fallen down. And there are many, many, many buildings like this in New York where you want to create housing.

I'm not saying just get rid of landmarks, but I'm saying look at it judiciously in terms of the fact that these religious institutions just don't have the money to renovate them. So what's going to happen? They do nothing for five years, it's going to all fall down.

I think this is an interesting source of housing. It's totally untapped. To a certain degree, the whole religious community is suffering because they're attempting to reestablish their missions in buildings that just are failing, and they have no ability to maintain them.



Courtesy of Alchemy Properties

Alchemy-ABR Investment Partners' Brian Ray and Alchemy Properties' Joel Breitkopf and Ken Horn at the topping-out ceremony for 125 W. 57th St.

Bisnow: What brought you into working with religious communities in the first place? Was this something that has been on your radar?

Horn: The first one we really did was Xavier [High School]. We had done a building across the street from Xavier before we did the one next to Xavier. And we established a very good relationship with the clergy because we had lane closing permits, things along those lines. So we knew that Xavier was looking to expand, and when we bought the site next to Xavier, we contacted them.

We were able to put a transaction together that benefited everyone. From that, word began to spread among the religious community that Alchemy as a firm was creative and eager to come up with ways of working with religious institutions to try to figure out a way to save them.

Bisnow: Speaking of landmarked buildings, you also own [the Woolworth Building](#). Are you keeping an eye out for any other trophy buildings that could become available in this market?

Horn: Woolworth was interesting because we kind of looked at it more out of curiosity than really thinking of buying it. When we were there, we realized that this was an enormously unique property.

We look at things on a weekly or a daily basis when they come to us. When things come in, we look at them, but we do not chase buildings that are just Woolworth-type buildings. We got very lucky because Woolworth was ideal in terms of how it laid out. But a lot of these other buildings don't lay out well. We're not going to jump into them and work on them unless they really do indeed work.

Bisnow: Real estate development really is like a puzzle. I assume a lawyer brain, which you have since you practiced real estate law, makes a lot of sense for piecing all these things together. But since you also owned a gelato business, I was wondering if there are any similarities between making gelato and building real estate?

Horn: No, zero. The only thing I could think of is that you can't get too high and you can't get too low.

Real estate is cyclical, financing is cyclical, equity is cyclical. You may find a great project to work on, which you really believe that you want to develop, and it's countercyclical, when no one else is developing — which we always believe is the smartest thing to do. You always develop when no one else wants to develop. On the opposite extreme, equity is fickle, and they don't necessarily want to develop when no one else is developing. So it's a challenge.

Bisnow: Give us a bold prediction for the rest of 2024 and into 2025.

Horn: In 2024, people are going to coast.

In December, I'm not sure there are going to be a lot of new transactions. Everyone hopes that in 2025, and I think we're beginning to see this, that equity and debt markets are opening up and [interest rates](#) are going to go down. And I think people are going to realize that now is the time to develop.

Bisnow: What's your favorite weekend routine or favorite weekend activity?

Horn: What I always do on the weekends is go to my house in Bedford. It's beautiful. It's a little bit isolated. My wife and I go up and most of the summers I have my kids and my grandkids up, which is the greatest pleasure in the world. I have six grandkids, all below the age of 7, which is crazy. But that, to me, is the greatest thing that I could do on the weekends.