

REAL ESTATE WEEKLY

SELLING POINTS: Michaels, Lorber partner on Hartz deal; Delsah offers Corner Social building;

By [rew](#)

12:07 PM, MARCH 18, 2015

●RKF

Hartz sells Harmon Meadow buildings to Howard Michaels

Hartz Mountain has sold its mixed used Plaza at Harmon Meadow properties to a partnership of Howard Michaels' Carlton Group and Howard Lorber's Vector.

The multi-building, 217,613 s/f retail/office property located at 650 & 700 Plaza Drive in Secaucus, NJ, was sold for \$64 million. An RKF team that included president of investment sales Jeff Fishman, Brian Segall, Greg Covey, Jerry Rockoff and Andrew Jacobs represented Hartz Mountain Industries as well as the buyer.



Harmon Meadow

Built, owned and managed by Hartz Mountain for nearly four decades, the Plaza at Harmon Meadow is one of several lifestyle centers developed by the firm in Hudson County, NJ.

Situated directly off Route 3, the property is comprised of 188,834 s/f of retail space and 28,779 s/f of office space.

The building at 650 Plaza Drive is anchored by a Kerasotes ShowPlace 14 movie theater, while 700 Plaza Drive includes shops and restaurants, including Pier 1 Imports, Cosi, Starbucks, Chili's, Chipotle, Houlihan's and Red Lobster, as well as office tenant Ernst & Young.

Carlton Strategic Ventures (CSV) in conjunction with New Valley LLC, the wholly-owned subsidiary of Howard Lorber's Vector Group, was the buyer.

Carlton chairman Howard Michaels said the deal is part of an "aggressive expansion" of the firm's principal private equity business. CSV investment management business now owns and manages three million square feet of real estate assets and has passive interests in real estate owned and operated by its clients.

Michaels said, "Investor appetite for yield and risk-adjusted return is at an all-time high and to generate double digit current cash on cash returns with significant upside makes this an acquisition consistent with our acquisition criteria."

●EASTERN CONSOLIDATED

Delsah's Social occasion

Delsah Capital is selling the Lenox Avenue building that's home to the Corner Social in Harlem.

The company has tapped David Schechtman, Lipa Lieberman and Abie Kassin at Eastern Consolidated to market for sale 321 – 323 Lenox Avenue.

The 23,700 s/f six story building includes a total of 32 free market loft apartments and a single ground floor retail space, which is currently leased to Corner Social, the well-known restaurant and bar.

According to the brokerage, both apartment and retail rents are below market in a neighborhood where retail rent growth is accelerating as Whole Foods and other world class retailers clamor for space.

"This offering presents a rare opportunity to acquire the best-in-class corner building in one of the most popular and renowned neighborhoods in the world," said Schechtman, a principal and executive managing director at Eastern Consolidated.

● **QUADRUM / SBD**
UWS luxury apartment partners

A partnership of Quadrum Global and Simon Baron Development has signed a 99-year ground lease at 267 West 87th Street with plans to develop a new 18-story, 100,000 s/f luxury residential building with parking at the site.

The 10,000 s/f property, situated between Broadway and West End Avenue on the Upper West Side, currently houses a parking garage, which the partnership plans to demolish to make way for the new development.

"By creating a newly built residential property in a neighborhood where high-quality housing is in extremely tight supply, we will create significant value on a site that is currently under-utilized," said Oleg Pavlov, CEO of Quadrum.



OLEG PAVLOV

"This transaction demonstrates our team's prowess in accommodating the landowners' objectives through an unusual deal structure that many other market participants would shy away from. At the same time, it further strengthens our investment footprint in New York City as we seek to expand our presence in key U.S. markets"

Located within a 10-block radius of Central and Riverside Parks, the American Museum of Natural History, Hayden Planetarium, the Children's Museum of Manhattan, the 86th Street MTA subway entrance and three of New York City's top-rated public elementary schools, the partnership plans to focus on larger family units for the site.

This is the fifth joint venture partnership between Quadrum and SBD and the second deal on Upper West Side, where the two companies are jointly re-developing a rental building at 393 West End Avenue, which will come to market in the second half of this year. Avison Young's Vincent Carrega, Jon Epstein, Neil Helman, Charles Kingsley and Jason Meister represented the seller.

● **the rabsky group**
Apartment plan brewing in Bed-Stuy

The Rabsky Group, led by Simon Dushinsky, has filed plans with the Department of Buildings to rezone two blocks in South Williamsburg/Bed-Stuy near Flushing Avenue to build a pair of mixed-use buildings that would house 800 apartment units.

The vacant sites at 249 and 334 Wallabout Street are currently zoned for manufacturing. Rezoning would allow Rabsky to create two buildings that would have a total of 622 market-rate units, 155 affordable units, and around 32,000 s/f of retail space.

The Wallabout Street sites were first purchased by Rabsky in 2012 for \$12.75 million from pharmaceutical giant Pfizer, which began selling off its Brooklyn properties in 2008 after shuttering its plant.

The Rabsky Group is also one of the developers, along with Read Property Group, behind the forthcoming Rheingold Brewery site project at 123 Melrose Avenue in Bushwick, a 1,000-unit residential project on the former beer brewery site.

Construction on that project is expected to begin this summer.

● **CBRE**
Shelbourne pays \$37M for CT tower

CBRE's Institutional Properties team negotiated the sale of 100 Pearl Street in Hartford, Connecticut.

The property was sold by The Silverman Group to New York based Shelbourne Global Solutions, LLC for \$36,850,000.

Jeffrey Dunne, in collaboration with John McCormick, Patrick Mulready and Michael Puzzo of CBRE/NE's Hartford office, represented the seller and also procured the buyer.

100 Pearl Street is a 281,000 s/f Class A office tower currently 99 percent leased to tenants such as Virtus Investment Partners, Guilford Specialty Group, First Niagara, and the Greater Hartford Arts Council.

● **HORNROCK PROPERTIES**
Hornrock adds Sony property to growing portfolio

As part of an aggressive push to expand and diversify its portfolio of real estate properties Hornrock Properties announced that it has acquired One Sony Drive in Park Ridge, NJ from Sony Electronics Inc.

Hornrock also came to an agreement with Sony to lease back a portion of the space in the building.

The acquisition brings a 220,877 s/f, class A, headquarters quality building into Hornrock's growing portfolio of real estate assets. The building sits on 37.2 acres of land located in the heart of Bergen County.



One Sony Drive

"The acquisition of One Sony Drive is an excellent addition to our New Jersey portfolio and is consistent with our investment philosophy of acquiring assets that are located in distinguished towns and present value-add opportunities," said David Hornblass, a principal of Hornrock Properties.

"This is a Class A commercial property with tremendous appeal to new corporate tenants while also offering substantial prospective redevelopment opportunities. We look forward to implementing our strategy to unlock the full value of the property."

● CUSHMAN & WAKEFIELD Developer wins Tudor City site

A development site, consisting of two adjacent properties located at 762-766 Second Avenue and 302 East 41st Street in Manhattan's Midtown East, has been sold for \$19,800,000.

The site included two parcels located on the corner of East 41st Street and Second Avenue and consisted of 37,869 buildable square feet and over 120 ft. of wraparound frontage. Zoning allows for mixed-use development.

762-766 Second Avenue is currently a one-story corner retail property consisting of a pizzeria, a Japanese restaurant, and one vacant store while 302 East 42nd Street is a vacant four-story building.



JOHN CIRAULO

Both properties are situated at the entrance of Tudor City, near the United Nations, Grand Central Terminal and New York University's Langone Medical Center.

"The development community produced a strong level of interest for this highly desired location. The winner was a foundation that plans on developing a new facility for their own use," said Cushman & Wakefield vice chairman John Ciraulo, who exclusively handled this transaction with senior associate Nicholas Gillott.

● NGKF Kaufman closes on \$92M Flatiron sale

NGKF Capital Markets was retained to source capital for a local New York City-based sponsor that recently closed on the \$92.5 million acquisition of 27 West 24th Street in Manhattan's Flatiron District.

Senior managing director Garrett Stoffels and managing director Barry Berkowitz advised the buyer and arranged the acquisition financing.

The seller, The Kaufman Organization and its partners, acquired the 125,000 s/f 11-story office building in late 2012, at which time they embarked upon a capital improvement program that included upgrades to the lobby and the elevators, among other things.



Grant Greenspan

Grant Greenspan, a principal at the Kaufman Organization, commented, "Within two years, the Kaufman Organization was able to reposition 27 West 24th Street into a top-tier side-street office destination in Midtown South — rents increased by more than \$30-per-square-foot and we secured leases for every space in the property. "This transaction reflects not only the continued demand for quality office space in the area, but also serves as a testament to Kaufman's successful acquisitions and repositioning strategy."

● ROSEWOOD REALTY GROUP

Mitchell Lama sale closes

Rosewood Realty Group's Aaron Jungreis brought both the buyer and the seller together on the \$38 million sale of a four-building, 283-unit Bedford-Stuyvesant apartment complex.

The buyer was Bushburg Properties and the seller was E & M Associates.

The six-story elevator buildings at 1711-1751 Fulton Street, include a total of nine commercial units, largely mom and pop stores and parking spaces.

The 277,200 s/f complex is part of the Mitchell-Lama federal mortgage interest subsidy program. The buildings' Mitchell-Lama obligations are scheduled to end later this year and a new owner has the option to opt out of the program.

According to Jungreis, the properties asked just north of \$40 million and were in contract for about a year pending city approval.

"The deal took almost two years to close and the determined buyers complied with all the restrictions to get it finalized," said Jungreis.

Bushburg, a Brooklyn-based development firm, plans to own the buildings for the long term, according to CEO Joseph Hoffman, who filed plans last year to construct a 12-story apartment building in South Slope.

● ARIEL PROPERTY ADVISORS

Chelsea mansion hits market

A restored pre-Civil War mansion at 436 West 20th Street is on the market for \$22.5 million, exclusive agent Ariel Property Advisors has announced.

Built in 1835, the 24.75 ft. wide, 10,000 s/f Greek Revival style townhouse features five income-producing, floor-through apartments that showcase the building's original pilasters, ceiling medallions, 13 wood-burning fireplaces, original wide-planked wood floors, detailed hallways, grand staircase, and expansive living areas.

"This property offers upside in the luxury rental market, while also offering a unique conversion opportunity," said Victor Sozio, vice president of Ariel Property Advisors, who is marketing the building with Shimon Shkury, Jesse Deutch, Howard Raber, and Randy Modell.

"With current condominium sellouts for similar two-bedroom, two plus bathroom units approaching \$3,000 per square foot, and West Chelsea single family townhouses falling within the same range, buyers have a significant opportunity to purchase a rare West Chelsea mansion with a unique blend of significant income-producing and owner-user capabilities."

Developer Michael Daniel and his business partner bought the property in 2008 and launched a two-year, museum-quality renovation that restored the landmarked townhouse to its original grandeur and added modern conveniences.

A wealthy merchant purchased the land for 436 West 20th Street from Clemente Clarke Moore, credited as the author of 'Twas the Night Before Christmas, who divided this section of his family's Chelsea estate into lots in 1834 as the rapidly growing city pushed northward.

Actress Frances Gaar purchased the house in 1962 and rented apartments in her townhouse to artists including the actress Glenn Close. The building has continued attract celebrity tenants in recent years with Courtney Love among those calling 436 West 20th Street home.

● PLATINUM PROPERTIES

Mott Street walkup attracts French investor

[Platinum Properties](#) has sold 167 Mott Street, a 17,600 s/f seven-story walkup, mixed used building.

The building — the tallest on the block — was sold for \$16,995,000.

Comprised of 26 apartments and two stores that are 500 s/f each the property was fully renovated last year by AD Real Estate.

[Khashy Eyn](#), chief executive officer of Platinum Properties, along with agent [Julien Kabla](#), represented both the seller, Great Neck-based AD Real Estate, Inc. and the buyer, a French investor who prefers to remain anonymous who will be keeping the property as an income-producer.

● COLLIERS INTERNATIONAL

Intel corporate center sold

Colliers International has arranged the \$14.1 million sale of Intel Corporate Center located at 1515 Route 10 in Parsippany, New Jersey.

The new owners have yet to announce their plans for the two-building asset.

An affiliate of Stanbery Development, and the developer/owner of The Shoppes at Union Hill in Denville acquired the complex.

The three-story buildings, which total 288,742 s/f are currently triple net leased to the Intel Corporation through December 31, 2015.

Intel, a global company and maker of semiconductor chips, has vacated the property. The first building is 213,742 s/f and features an atrium with marble floors, while the second building is 75,000 s/f. Amenities include a full-service cafeteria, professional gym facility, conference areas, and an outdoor terrace with seating. "The new owner acquired a unique, value-add opportunity and has the ability to rebrand and reposition the asset during Intel Corporation's remaining term, benefitting from the tenant's in-place credit cash flow," said Jacklene Chesler, managing director at Colliers International, who along with executive managing director Richard J. Madison, executive managing director Jeffrey Oram, and associate Chuck Kohaut represented the seller in the transaction.