

BUILDING SALES JOURNAL



Commercial

Residential



Massey Knakal Tops \$150,000,000 With Recent Sale

The sale of 18 East 31st Street, between Fifth and Madison Avenues, pushed Massey Knakal Realty Services' aggregate building sales consideration to over \$150,000,000. The property, a five story, renovated office building, contained 7,000 square feet of



space. The seller of the property, Micron General Contractors, had renovated the property and occupied it in its entirety as a Manhattan headquarters. When the decision was made to vacate the property, Micron hired Massey Knakal to sell the property. The buyer of the property, a credit union, will occupy the building. The sales price was \$720,000 or just over \$100 per square foot. This transaction, the 60th closed by Massey Knakal in its 3 1/2 years, pushed the company's aggregate sales above the milestone. We would like to thank our loyal

clients for making this accomplishment possible.



SALES VOLUME REMAINS STRONG, PRICES STILL FLAT

During the first quarter of 1992, building sales volumes was on the rise for the first time in a two year period. This trend remained steady throughout the second quarter of the year making the first half of '92 47% more active than during the same period in 1991. These statistics are based upon the standard sampling of 4,722 properties used by Massey Knakal Realty in all market analysis. Although conventional financing, particularly for commercial transactions, is scarce today the activity remains strong. The three main reasons for this volume are 1) 100% equity financed transactions are becoming increasingly popular, 2) seller financing is available (this was extremely rare during the eighties on the Eastside and in Midtown) and 3) some banks are offering REO properties with financing already in place. More good news is that even with the perceived poor market and bank foreclosures, there is still not a glut of product on the market. This factor has probably been the main reason why prices have not dropped during the past three to four month period.

Chase Manhattan Bank of CT Sells Through Massey Knakal

In an all cash transaction valued at approximately \$800,000, the property at 152 East 46th Street has been sold. The property, previously the home of Rumm's Bar and Restaurant, was taken back in a foreclosure by Chase Manhattan Bank. Its subsidiary, Consolidated Asset Recovery Corporation hired Massey Knakal Realty as exclusive agents to market and sell the

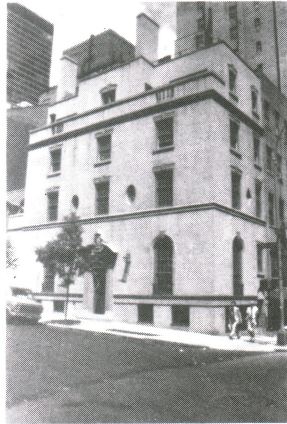


building. The structure, a 15 foot wide, five story building contained approximately 5,000 square feet of space and was in need of renovation. The first two floors of the building were commercial and the upper three floors residential. The zoning of the property, however, would allow for potential commercial occupancy of the entire building. The purchaser of the building is a foreign investor who will undertake the renovation of the property and will proceed to rent the building with the thought of perhaps using some of the space for his own men's clothing business.



MASSEY KNAKAL HIRED TO SELL 38TH STREET HEADQUARTERS

125 East 38th Street is a 7,000 square foot corporate headquarters building with three commercial floors plus two floors of corporate residence. The building has been completely upgraded with all modern systems. Meticulous recent renovation by renowned architects Hardy Holtzman and Pfeiffer Associates of this five story commercial townhouse has it in perfect condition. Amenities include Otis passenger elevator; full closed water central air conditioning and ventilating system; ADT central station security alarm and sprinkler; 800 amps electric. An elegant facade and functional floor layout make this the ideal property for a Corporate Headquarters; Embassy; Foundation; or home to a boutique high image service firm. The building offers large conference and library capabilities; many executive offices; an entire floor for administrative services; and two floors suited for residential use which include a full gourmet kitchen; three terraces and working fireplaces (throughout the building). Asking \$4,950,000.



155 EAST 48TH STREET AVAILABLE FOR SALE

Massey Knakal Realty Services has been hired to market the 28,000 square foot building at 155 East 48th between Lexington and Third Avenues. The property is a six story, elevated, commercial building which is in need of a gut renovation. It was constructed in approximately 1930 as a multi-family dwelling. Construction consists of concrete foundations under wood and brick exterior supporting walls. An elevator services all floors. The building is ideally suited for commercial office use with varying space for executive residence. Priced at \$5,900,000.



SCHOOL BUILDING TO BE SOLD THROUGH MASSEY KNAKAL

The 58 foot wide home of the Lenox School at 170 East 70th Street has been placed on the market at an asking price of \$4,900,000. The five level property contains a total of 25,000 square feet including usable basement space. Amenities include cafeteria, full kitchen, 4,000 square foot auditorium, full gymnasium, many classrooms and laboratories. This property has a beautiful limestone facade and was built in 1901 with later conversion to private school in 1925. Situated on 70th Street between Lexington and Third Avenues, this property represents a wonderful opportunity for a school, non-profit organization or foreign government.



RENT GUIDELINES SET-INCREASES INADEQUATE

The lowest rent guidelines in history - 3% for one year leases, 5% for two year leases, and a 5% vacancy allowance - were approved by the Rent Guidelines Board (RGB) for residential leases beginning October 1st. Many industry organizations including the Community Housing Improvement Program (CHIP) participated in an intensive and successful lobbying campaign to at least save the vacancy allowance, which had been eliminated by the RGB from proposed guidelines in May. These increases are inadequate to cover operating cost increases for taxes and water and sewer bills forgetting about other operating cost increases. This irresponsibility on behalf of the RGB is a major factor why multi-unit residential housing has lost 40%-50% of its value since its peak in 1989.

New York's Regulated Apartment Breakdown

Rent Controlled	124,411
Rent Stabilized	1,010,584

MASSEY KNAKAL LOOKS OVERSEAS FOR BROKER COOPERATION

Due to the continued demand from foreign investors for Manhattan properties, Massey Knakal has broadened its affiliations with real estate brokerage firms abroad. Successful relationships with Japanese firms have produced two recent sales for Massey Knakal creating a proven model for international co-brokerage. On a regular basis marketing materials on prime Manhattan properties are sent to brokerage firms in Canada, Australia, Finland, the Netherlands, Hong Kong, France, Germany, Switzerland, Italy, Venezuela, Argentina, and Columbia. Massey Knakal executives feel that this growing resource will increase efficiency as 65% of the firms listings are sold to foreign based purchasers.

MARINE MIDLAND BANK HIRES MASSEY KNAKAL

Massey Knakal Realty Services was recently hired as the exclusive agent to market the investment property at 133 Second Avenue. The building is a five story and part two story, mixed-use property with The Gap as the main retail tenant and contains 11 loft apartments on the upper floors. The 21,000 square foot mixed-use property has a net operating income of approximately \$520,000 per annum and an asking price of \$4,200,000. At the asking price, this investment shows a 12.5% return.



SUTTON HOTEL TO REOPEN

Since 1983 the Sutton Hotel at 330 East 56th Street between First and Second Avenues has stood vacant. Efforts to revive it saw one new owner after another fail to come up with a feasible plan. Alan B. Friedberg is the developer who has undertaken the renovation project and, along with Hong Kong investors, plan to turn the 75 year old building into a long term residence hotel. The minimum stay will be 30 days. The new hotel still "The Sutton" will have a health club with a pool, a restaurant and a bar. The property will have a total of 84 studio and two bedroom units, each with a fully equipped kitchen, a full range of services will also be provided.

MASSEY KNAKAL REPRESENTS ARCHDIOCESE IN SALE

In an all cash transaction valued at approximately \$1,700,000, the double wide townhouse at 48-50



West 74th Street has been sold. The property, a 50 foot wide, five story plus basement building, contained approximately 17,000 gross square feet of space. The building was serviced by two elevators and consisted of 32 single rooms with meeting rooms, a chapel and large institutional kitchen. For the

past 50 years the property served as the home of the St. Elizabeth Guild of the Archdiocese of New York. Their function was primarily to provide housing and support services for unmarried working women. With diminishing occupancy over the last several years, it was decided to sell the Guild building to use the proceeds for other charitable work. The Guild then appointed Massey Knakal Realty the exclusive agents for the sale. After seeing several non profit organizations which expressed interest in the property, the Parkside School secured a contract and closed the sale. Parkside is a school which focuses primarily on helping children with learning disabilities. This organization has placed dozens of children back into mainstream education and is widely regarded as one of the most successful programs of its kind. Parkside plans on a renovation of the building which will be completed by the school's opening in September. Both parties to this transaction were represented by Massey Knakal Realty Services, Inc.



GARAGE SELLS ON 36TH STREET

The activity on garage properties has been extremely slow during the past two years but in a recent sale the Mallah Organization has purchased 52-56 West 36th Street. The sales price of the 33,000 square foot garage was reportedly \$1,300,000 or \$40 per square foot. The seller of the property, Alex Dilorenzo, had been leasing the property to Mallah.

**1152 SECOND AVENUE SOLD THROUGH
MASSEY KNAKAL**

The property at 1152 Second Avenue between 60th Street and 61st Street has been sold. The building, a 20 foot wide, 5,000 square foot mixed-use building, had two floors of commercial space and two residential floors. Due to problems with some of the tenants and a need for renovation, the owner, The Greenberg Family Trust, decided to sell the property. Given the vacancy of the ground floor store, a user for that space was targeted. The property was sold to a user for approximately \$100 per square foot. Massey Knakal represented both parties to this transaction.



**BARCLAYS BANK HIRES MASSEY KNAKAL TO
SELL EAST 71ST STREET**

Obtained in a foreclosure, Barclays Bank has hired Massey Knakal Realty Services to sell their building at 134 East 71st Street. The building located on 71st Street between Park and Lexington Avenue is a mixed-use building which will be delivered completely vacant. Originally built in 1884 for financier John Livingston, the building has brownstone facade with black iron gates leading to the entrance. This 8,000 square foot building has central air conditioning, gas heat, and is elevatored. The layout of the building's six stories is adaptable to a variety of uses. This 23 foot wide property is being offered at \$3,400,000.



MASSEY KNAKAL SELLS FIFTH AVENUE OFFICE BUILDING

In an all cash transaction, 384 Fifth Avenue has been sold for approximately \$3,300,000. The building, situated on the west side of Fifth Avenue between 35th and 36th Streets, is 33 feet wide and has eight stories. This 24,000 sq. ft. building was 75% rented with only 2 floors vacant. The purchaser of

the property was a foreign investor who may consider using part of the vacant space for his own offices. This sale, at \$136 per square foot, is considered to be one of the highest in the neighborhood for this type of property. Massey Knakal Realty represented both parties to this transaction.



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Questions

If you have any questions concerning information in this issue or subsequent issues of the "Building Sales Journal" or the local market in general, please feel free to contact Massey Knakal Realty Services at (212) 888-8850.

