

REAL ESTATE WEEKLY

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Ft. Washington building sold

In an all cash transaction valued at approximately \$750,000, the apartment building located at 65 Ft. Washington Avenue in Manhattan has been sold according to Robert A. Knakal, managing director of Massey Knakal Realty Services.

The building, a 41-unit, six story, elevatored apartment building, contains over 62,000 square feet of space. The building is situated on the northwest corner of 161st Street and Ft. Washington Avenue and was owned by 1st Nationwide Bank, which took title to the property through an unusual foreclosure of an underlying co-op mortgage. This was one of the first such transactions to be completed in New York and the complexities were numerous. The DHCR has not determined a formal policy with respect to legal rent levels for units which were sold as co-ops and will now revert back to stabilization, according to Knakal, who added that although there is a draft of a policy statement, no formal policy has

been issued. Therefore, investors had to look at a best case and worst case scenario in analyzing the transaction.

"This was one of the more complicated transactions that we have completed recently," said Knakal. "The number of assumptions that we had to make relative to cash flow projections were numerous, given the uncertainty of DHCR's interpretation of the property's current status."

The building had a gross rent of approximately \$300,000, with expenses of approximately \$144,000. "The real estate industry anxiously awaits DHCR's formal policy with respect to rent levels in co-ops where the underlying mortgage has been foreclosed on," Knakal added. "The impact of this determination is significant and DHCR officials indicate that a formal policy is forthcoming."

Massey Knakal Realty Services represented 1st Nationwide Bank in this sale, while the purchaser was represented by The Pilossoph Group, Inc.

