

REAL ESTATE WEEKLY

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\$1.75

Knakal sells East 49th St. building

In an all cash transaction valued at approximately \$888,000, the building at 151 East 49th Street has been sold according to Robert A. Knakal, managing director, Massey Knakal Realty Services.

The property, an 18.5 foot wide, five story building, contained approximately 5,920 square feet. The building is a mixed-use property located between Lexington and Third Avenue with two floors of commercial space and three floors of residential space. The commercial space consists of a restaurant on the ground floor and a second floor consisting of a vacant nail salon and a professional office. The upper three floors of the property consisted of six residential apartments, two of which are rent-controlled and four rent-stabilized.

The owners of the property, North Park Enterprises, hired Massey Knakal to sell the building on an exclusive basis, as they wanted to shut down the restaurant operation. The group had owned the building and operated the restaurant for over 15 years. Based upon renting the vacant space in the building, including the restaurant, at market rents, the property would have produced a net operating income of approximately \$68,000. The property was, however, purchased by a user that will operate the restaurant and therefore derive additional value in the property.

"The sale price of this property is a classic example of a user paying a premium for the ability to occupy a portion of

the building they purchased", said Knakal, who coordinated the marketing efforts for his firm. "Many investors were interested in the property in the \$650,000 to \$700,000 range, but as is always the case, users pay a premium above what an investor is willing to pay."

The seller in this transaction was represented by Massey Knakal Realty Services, while the purchaser was represented by A.O. Realty.



151 East 49th Street