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\$1.75

Massey Knakal sells an office building for hotel conversion

In an all-cash transaction valued at approximately \$7.5 million, the property at 141 East 44th Street has been sold, according to Robert A. Knakal, chairman of Massey Knakal Realty Services.

The property, a 100-foot-wide, 10-story office building, was originally built as an apartment house by Bing and Bing in the 1920's. It was converted to commercial office use during the 1950's and has been operated as an office building since then.

When the owners decided to sell the property, they retained Massey Knakal to implement a marketing program which would focus on investor purchasers as well as the user market.

At the time, 25 percent of the property was vacant, and based on the relatively short-term leases of existing tenants, Massey Knakal believed that a user could be a potential buyer.

As the marketing program progressed, leases which were expiring were not renewed, and increasingly the interest from the user segment of the market increased. Also, based upon the improving and extremely strong residential and hotel markets, it seemed as if this 75,000 square-foot property would be a natural for conversion back to residential use.

After an exhaustive marketing effort which generated dozens of bids, the property was sold to Gotham Hospitality Group, which has developed five hotels in the last eight years and has established itself as an expert in its niche while adding to New York City's mix of hotel rooms. Their vision for the property was to convert it to a 162-room hotel named the Grand Central Hotel.



141 East 44th Street

"The conversion of this type of product back to essentially residential usage is a growing trend in the marketplace today, as residential rental property, potential condominium conversion properties and hotel conversion properties are extremely attractive today," said Knakal, who coordinated the marketing efforts for the sellers. "The hotel market is as strong as it has ever been, and there is no end in sight."