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NYC "Silicon Alley" Office Tower Sells for \$140 Million

By David M. Levitt

A group led by ABS Partners Real Estate LLC paid \$140 million for a 20-story office tower in Manhattan's Flatiron District, seeking to capitalize on the neighborhood's popularity with information technology tenants.

The building at 915 Broadway is near the center of the Midtown South office market, which has the lowest vacancy rate in the U.S., according to brokerage Cushman & Wakefield Inc. ABS, led by Chairman Earle Altman, had already owned a minority stake in the 250,000-square-foot (2,300-square-meter) property. His group teamed with Richard Hadar, Jeffrey Feil and John Zirinsky on the purchase, ABS said today in a statement.

The price includes prepayment of an existing mortgage. The building has a \$37.5 million securitized senior loan originated by JPMorgan Chase & Co., according to data compiled by Bloomberg. JPMorgan also financed the 915 Broadway deal through Ackman-Ziff Real Estate Group, according to the statement.

Altman acquired a 15 percent stake in the building in 1981, when he joined a group of investors who bought it for \$6 million. Tenants in the tower, completed in 1926, include Jump Associates LLC, Union Square Ventures and the New York campus of the Pacific College of Oriental Medicine.

The partners intend to redesign and expand the building's lobbies, according to the statement. The 14,000-square-foot retail space will be available for leasing in early 2014.

Office rents in Midtown South, the area roughly between 34th Street and Canal Street, rose 9.7 percent in the year ended June 30, brokerage Newmark Grubb Knight Frank said in a report last week.



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