

REAL ESTATE WEEKLY

May 27, 2011

Chinatown retail building, with 18,000 s/f of air rights, on the market for \$30 million

3:16 PM, MAY 27, 2011



250 Canal Street

By Roland Li

A 4,500 s/f building at 250 Canal Street, on the southeast corner of Lafayette Street, is on the market for \$30 million. It is also being marketed for a long term net lease of 49 years, with an annual rent starting at \$1.8 million.

The square structure has 72 feet of frontage along both Canal and Lafayette and is adjacent to a subway station, seeing heavy foot traffic.

The one-story property is currently subleased to an individual, who has subleased it to various souvenir and handbag retailers. The stores were targeted with an investigation by the city for the selling of counterfeit goods, but the issues have been resolved and they have since reopened. There is also a billboard behind the building that faces Canal Street and is part of the property.

ABS Partners' Steven Hornstock, co-managing partner and director of investment sales, and Alan Cohen, executive managing director, are marketing the property.



A possible design for the site, using its maximum air rights

Although the property has an annual income of around \$1.65 million in 2010, its profit potential could be much greater. Under the current zoning, the building may be developed up to five stories and 22,500 s/f.

"The highest and best use is to develop it," said Hornstock. "You could have a five-story retailer there." However, he added, it would be more likely to have retailer in the first two floors, and perhaps a hotel on top, given the floor plates.

The current owners are 516 West 131st Street LLC, according to city records. They are local landlords who seek income-producing properties, but do not develop new buildings, said Hornstock.

"That's not their game," he said.



Another rendering of a new building, built to two floors

All new development could be done as-of-right and would require only routine Department of Buildings approvals. A potential [rezoning plan](#) for Chinatown could limit development in the future, but it is still in the planning stages.

A building diagonally across the street from 250 Canal, at 120 Lafayette Street, is [also on the market](#) for \$23.8 million.