

MetroGrid Report: Times Square/Hell's Kitchen

FOCUS ON NYC SUBMARKETS

March 2016



Times Square/Hell's Kitchen Investment Property Sales on Fire

Investment property sales in the Times Square/Hell's Kitchen area doubled to over \$3.3 billion in 2015 compared to 2014, while the \$1.9 billion sale of 787 Seventh Avenue pushed sales volume to over \$2.33 billion in just the first month of this year.

In January, CalPERS, acquired the 54-story AXA Equitable Center at 787 Seventh Avenue from AXA Financial for \$1,932,900,000, as part of the pension fund's "strategic plan to invest in core, income generating properties." Built in 1985,

the property's lobby features a 70-foot tall Roy Lichtenstein painting, and tenants include French bank BNP Paribas, UBS, Athletic & Swim Club, and a number of law firms.

Also in January, the Shubert Foundation sold the land beneath a 42-story tower at 1700 Broadway at West 53rd Street for \$280 million to the Ruben Companies, which developed the Class A office building in 1968 and currently manages it. Office tenants include Warner Brothers Entertainment, CBS

Broadcasting, Talbots, and Friedman LLP, and retailers include Maison Restaurant and Europa Cafe.

In 2015, several Times Square hotels traded with one of the most significant being the acquisition of a 97 percent stake in the 22-story, 689-key Manhattan at Times Square Hotel at 790 Seventh Avenue for \$513 million. The buyer was Al Rayyan Tourism and Investment, a subsidiary of Qatar's Al Faisal Holdings, and seller Rockpoint Group, Highgate Hotels, and a Goldman Sachs fund.

Maefield Development, a privately owned real estate company headquartered in Indianapolis, acquired the leasehold interest in the 468-room Doubletree Guest Suites Times Square hotel at 1568 Broadway from Sunstone Hotel Investors, a California-based lodging REIT, for \$540 million. Maefield reportedly plans a \$2 billion redevelopment that will include a new 704-room luxury hotel, four floors of retail and 40,000 square feet of entertainment space.

In November 2015, the Abu Dhabi Investment Authority, on behalf of the Government of Abu Dhabi, acquired the 563-key, 54-story London NYC hotel at 151 West 54th Street from the Blackstone Group paying \$194 million for the property itself and \$157 million for the assumption of the ground lease. In addition, the Chetrit Group acquired the Hotel Carter at 250 West 43rd Street from the Alphonse Hotel Corporation for \$191 million at the beginning of 2015.

In office trades, Kamber Management acquired SL Green's 460,000-square-foot Tower 45 in September 2015 for \$365 million; Japanese investment firm Jowa Holdings acquired 421 West 44th Street in January 2015 from East End Capital for \$165 million; and both the office condo and retail condo in the former New York Times building at 229 West 43rd Street sold.

In August 2015, REIT Columbia Property Trust acquired the 345,701-square-foot office condo on the former Times

building's top 12 floors from the Blackstone Group for \$516 million. "Constructed between 1912 and 1947, the building underwent a complete renovation between 2011 and 2015 that has filled its office portion with major tech and creative tenants and still offers room for long-term rent growth," according to Columbia Property Trust's website. In October 2015, the Kushner Companies paid Africa Israel USA \$295 million for the building's 250,000-square-foot retail condo, home to Discovery Times Square, Bowlmor, Guitar Center and other retailers.

Another notable trade was the sale of a 186,000-square-foot office building at 311 West 43rd Street for \$107 million, which was arranged by Brian Ezratty, Eastern Consolidated Vice Chairman and Principal, and Scott Ellard, Vice President and Principal. It was the third time in five years that Ezratty and Ellard had sold the property. The buyer was William Macklowe Company, which partnered with Principal Real Estate Investors, LLC on the deal, and the seller was Atlas Capital Group. The building is adjacent to the 300,000-square-foot Intercontinental Hotel site at 300 West 44th Street that Ezratty sold to the Tishman Hotel Corporation and on the same block as 322-326 West 44th Street where Ezratty arranged a long-term net lease for hotel developer Sam Chang.

On the development front, a new tower is under construction on West 52nd Street between Broadway and Eighth Avenue with an expected completion date of 2017; a Marriot Edition is scheduled for completion in 2017 at West 47th Street and Seventh Avenue; and the RIU Hotel is expected to be completed this year at West 46th Street and Eighth Avenue, according to the Times Square Alliance.

The Times Square Alliance also has identified a number of new retailers that will be coming soon to the district including Wahlburgers, Swatch, Old Navy, GAP, and Foot Locker. The average asking rent for ground space was \$2,390 per square foot on Broadway and Seventh Avenue between 42nd and 47th Streets, according to REBNY's Fall 2015 Retail Report.



2015-2016 Property Sales Times Square/Hell's Kitchen

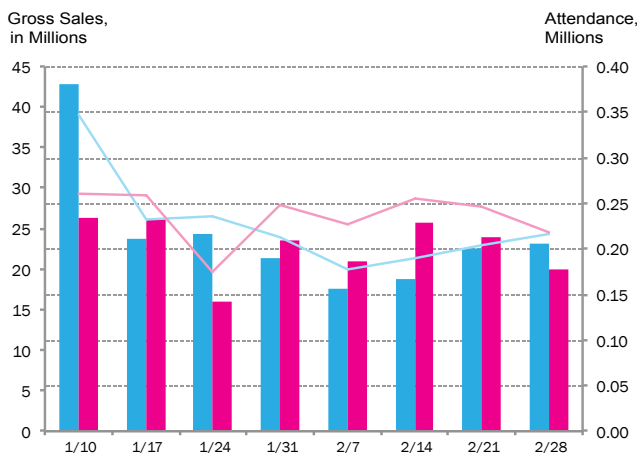
Date Closed	Address	Sales Price
1/1/2015	531 W 45 St	\$550,000
1/12/2015	145-147 W 45 St	\$55,000,000
1/12/2015	45-47 W 45 St	\$81,000,000
1/13/2015	411 W 45 St	\$5,750,000
1/15/2015	338-340 W 39 St	\$22,500,000
1/20/2015	312-316 W 48 St	\$1,768,500
1/21/2015	315-329 W 44 St	\$165,000,000
1/22/2015	250-262 W 43 St	\$191,850,000
2/5/2015	439-441-443 W 54 St	\$19,600,000
2/5/2015	520 W 45 St	\$4,000,000
2/13/2015	790 7th Ave	\$513,024,080
2/26/2015	453 W 47 St	\$4,200,000
3/17/2015	129 W 56 St	\$10,450,000
3/23/2015	311-329 W 50 St	\$72,000,000
3/26/2015	341 W 44 St	\$8,980,000
3/26/2015	524 9 Ave	\$4,150,000
4/1/2015	440 W 41 St	\$27,816,750
4/15/2015	405 W 44 St	\$6,425,000
4/17/2015	240 W 44 St	\$24,750,000
5/5/2015	240-248 W 40 St	\$85,000,000
5/7/2015	438-442 W 51 St	\$15,000,000
5/29/2015	654 9 Ave	\$8,600,000
5/29/2015	25 W 47 St	\$15,400,000
6/1/2015	720 11 Ave	\$10,937,422
6/9/2015	642 10 Ave	\$7,000,000
6/9/2015	644 10 Ave	\$7,000,000

Date Closed	Address	Sales Price
6/9/2015	640 10 Ave	\$7,000,000
6/30/2015	166 W 48 St	\$15,340,000
7/13/2015	451 W 50 St	\$3,500,000
8/4/2015	229 West 43rd Street*	\$516,000,000
8/20/2015	411-425 W 51 St	\$156,500,000
8/20/2015	424 W 52 St	\$2,000,000
8/20/2015	220-226 W 41 St	\$80,898,900
9/24/2015	120 W 45 St	\$365,000,000
10/29/2015	318-328 W 51 St	\$12,300,000
10/29/2015	360 W 45 St	\$8,750,000
10/29/2015	351 W 44 St	\$8,750,000
10/29/2015	47-53 W 44 St	\$17,800,000
10/29/2015	229 West 43rd Street**	\$295,027,000
11/10/2015	151 W 54 St	\$194,000,000
11/13/2015	250 W 47 St	\$7,788,754
11/23/2015	503 W 47 St	\$6,800,000
12/1/2015	250-256 W 39 St	\$123,500,000
12/9/2015	311-319 W 43 St	\$107,000,000
12/22/2015	448 W 44 St	\$4,640,000
1/7/2016	433-440 W 53 St	\$25,000,000
	2015 Total	\$3,300,346,406
1/13/2016	615 10 Ave	\$57,500,000
1/26/2016	1690 Broadway	\$280,000,000
1/27/2016	787 7 Ave	\$1,932,900,000
1/28/2016	747 9 Ave	\$12,000,000
1/28/2016	440 W 47 St	\$23,500,000
	2016 YTD	\$2,330,900,000

*Commercial Condo, **Retail Condo

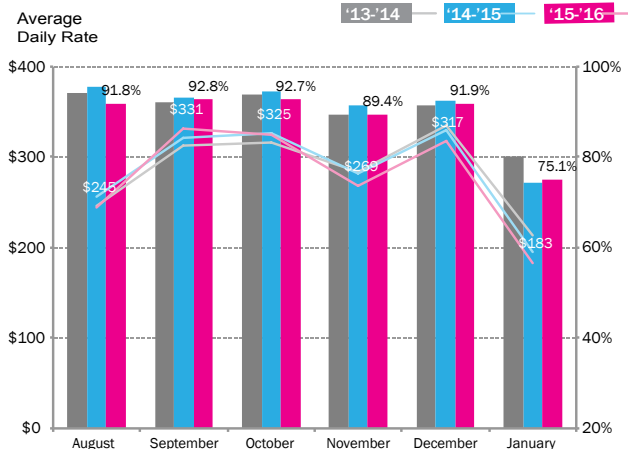
Times Square February 2016 Key Indicators

BROADWAY Last 8 Weeks



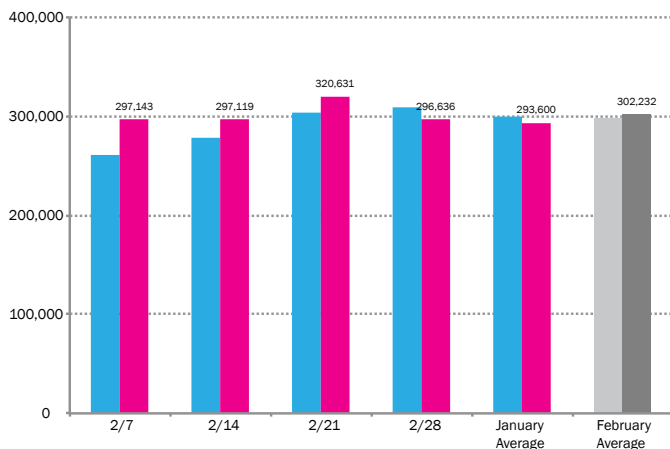
For the first three weeks of February, both attendance and sales outpaced those of February of the previous year.

HOTELS Last 6 Months



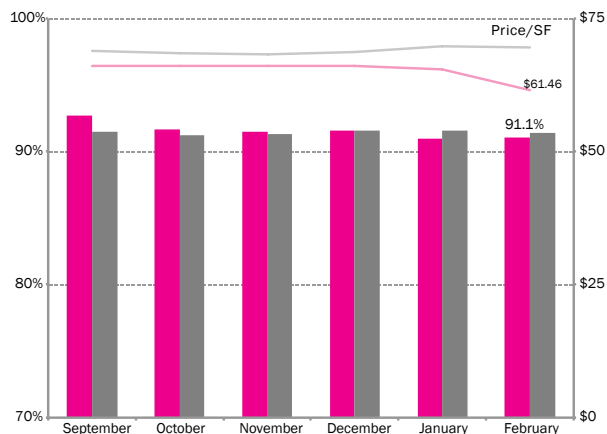
In line with past seasonal trends, occupancy declined in January after a very profitable December. Average rate per room is lower in January 2016 than it has been in the past two years.

PED COUNTS Last 4 Weeks



Gated Counts for February 2016 improved upon benchmarks set in both the previous year and January, the previous month.

CLASS A Last 6 Months

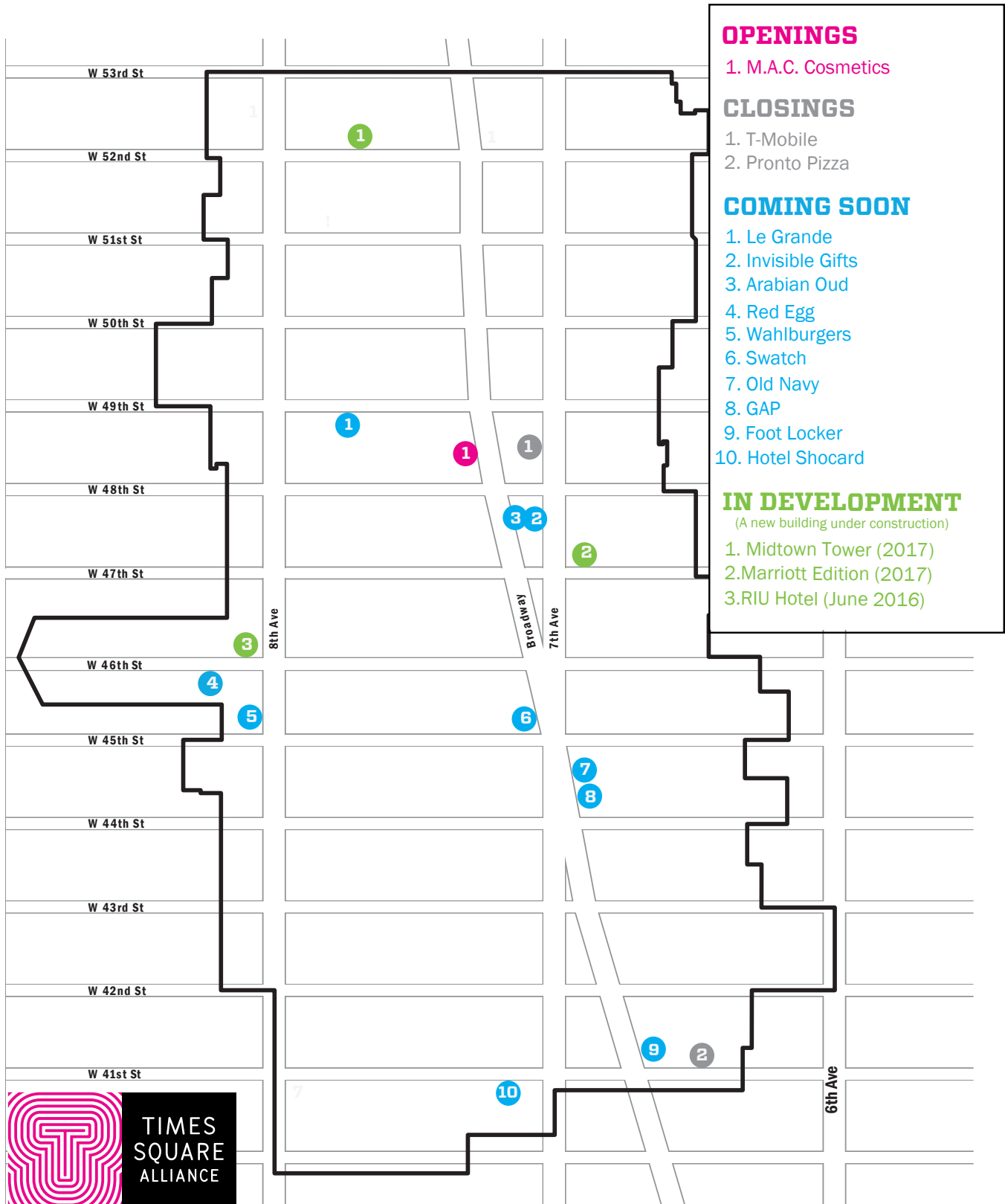


Price per square foot in TSQ dropped by \$4 and occupancy is virtually the same. Midtown also saw a slight drop in both occupancy and price per square foot.

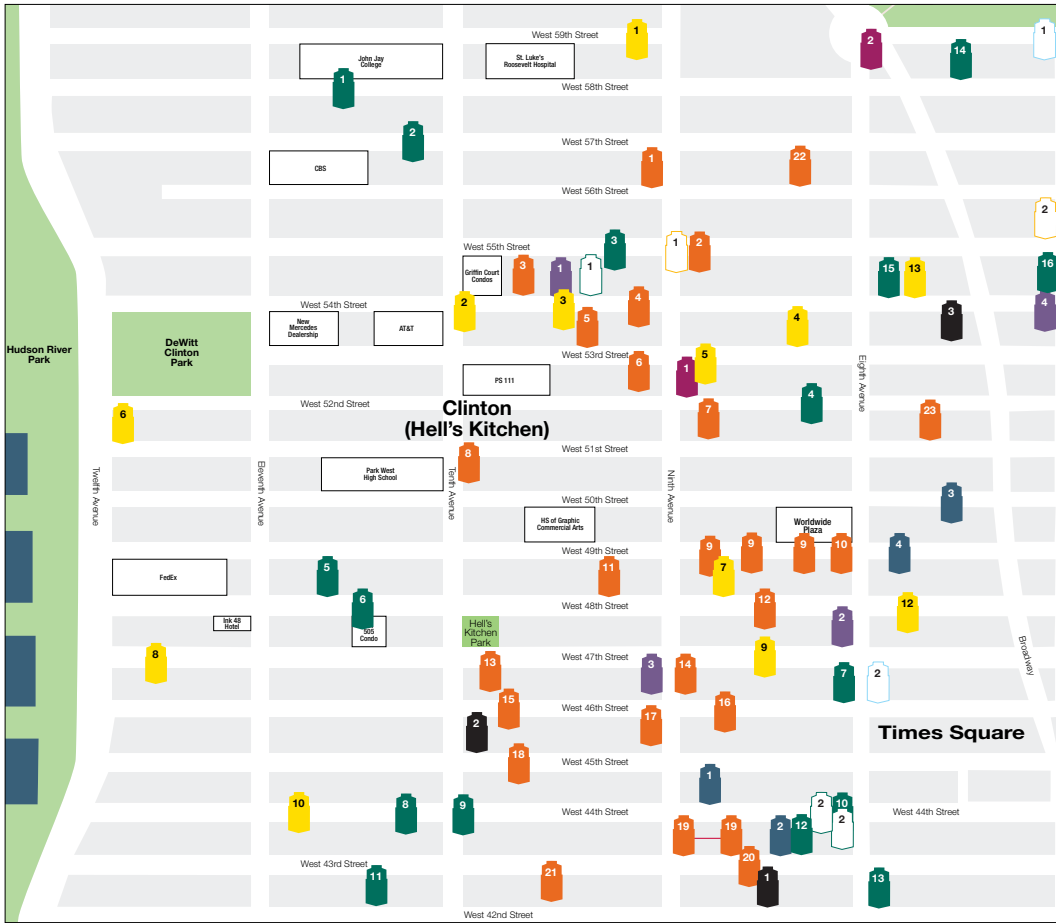


Retail/Office Map

February 2016



Select Eastern Consolidated Times Square/Hell's Kitchen Transactions



- Residential**
- 1 401 West 56th Street aka 863-67 Ninth Avenue 95-Units, 7-Story (E)
 - 2 350-358 West 55th Street 123 Units, 9-Story (E)
 - 3 435 West 54th Street 20 Units, 5-Story (W)
 - 4 811 Ninth Avenue 32 Units, 4-Story (W)
 - 5 437 West 53rd Street 11 Units, 5-Story (W)
 - 6 789 Ninth Avenue 13 Units, 5-Story (W)
 - 7 355 West 51st Street 42 Units, 6-Story (E)
 - 8 746 Tenth Avenue 6 Units, 2 Stores, 4-Story (W)
 - 9 308-310, 318-332 & 336-340 West 49th Street 252 Units, (13) 5-Story (W)
 - 10 300 West 49th Street 108 Units, 8-Story (E)
 - 11 403 West 48th Street 22 Units, 5-Story (W)
 - 12 324 & 326 West 47th Street 36 Units, 4 Stores, (2) 5-Story (W)
 - 13 452 West 47th Street 15 Units, 5-Story (W)
 - 14 670 Ninth Avenue 8 Units, 5-Story (W)
 - 15 444 West 46th Street 20 Units, 5-Story (W)
 - 16 334-336 West 46th Street 10 Units, 4-Story (W)
 - 17 649-651 Ninth Avenue 12 Units, 2 Stores, 5-Story (W)
 - 18 438 & 440 West 45th Street 34 Units, (2) 5-Story (W)
 - 19 331-337 West 43rd Street The Clinton Properties 75 Units, 6-Story (E)
 - 20 330 West 43rd Street 22 Units, 5-Story (W)
 - 21 576 Tenth Avenue Manhattan Plaza 1,100 Units (E)
 - 22 322 West 57th Street 51 Units, 58-Story (E)
 - 23 245 West 51st Street 80 Units, 1 Store, 9-Story (E)

- Office**
- 1 345 West 44th Street 19,000 GSF, 3-Story Sold Twice 2005 and 2006
 - 2 311-319 West 43rd Street 150,000 GSF Sold twice 2010 and 2012
 - 3 214 West 50th Street 7,500 GSF, 5-Story
 - 4 244-250 West 49th Street 80,400 GSF, 8-Story
- Retail**
- 1 421-429 West 54th Street The Hit Factory 16,886 GSF
 - 2 771-773 Eighth Avenue 13,500 GSF, 2-Story
 - 3 673 Ninth Avenue 1,200 GSF
 - 4 826-840 Seventh Avenue 10,000 GSF, 1-Story
- Air Rights**
- 1 413-417 West 54th Street 19,800 BSF
 - 2 691-699 Eighth Avenue & 306 West 44th Street 48,180 BSF

- Commercial**
- 1 400 West 59th Street 75,000 GSF
 - 2 800 Tenth Avenue \$44,600,000 - 2007 Referral
 - 3 424-426 West 54th Street 6,000 GSF Warehouse
 - 4 315 West 53rd Street 2,364 GSF, 3-Story
 - 5 348-358 West 53rd Street (66) 421A Tax Certificates
 - 6 700-716 Twelfth Avenue 9,750 GSF, 1-Story Sold Retail Portion in 1997
 - 7 353-355 West 48th Street 23,218 GSF, 6-Story
 - 8 622 West 47th Street 8,525 GSF, 5-Story Sold Twice 2000 & 2011
 - 9 318 West 47th Street 6,290 GSF, 4-Story
 - 10 556-558 West 44th Street 5,400 GSF, 2-Story Warehouse
 - 12 234-242 West 48th Street 100,000 GSF, 16-Story
 - 13 247-259 West 54th Street 90,000 GSF, 10-Story

- Development**
- 1 530-538 West 58th Street 62,500 BSF
 - 2 504-506 West 57th Street 8,800 BSF
 - 3 424 West 55th Street 18,500 BSF
 - 4 306-312 West 52nd Street 250,000 BSF \$6,250,000 - 2005 - Air Rights
 - 5 545-551 West 48th Street & 534-542 West 49th Street 100,000 BSF
 - 6 516-530 West 48th Street 84,000 BSF
 - 7 733-763 Eighth Avenue 323,600 BSF
 - 8 506-512 West 44th Street 84,042 BSF
 - 9 604-612 Tenth Avenue 55,000 BSF
 - 10 693-699 Eighth Avenue 283,00 BSF
 - 11 517-521 West 42nd Street 9,000 BSF
 - 12 321 West 43rd Street 35,428 BSF

- 13 726 8th Avenue 49,500 BSF Sold with 846 7th Avenue
 - 14 225-227 West 58th Street 50,000 BSF
 - 15 263-265 West 54th Street 23,590 BSF
 - 16 846 7th Avenue 49,500 BSF Sold with 726 8th Avenue
- Mixed-Use**
- 1 327 West 42nd Street 10,615 GSF, 5-Story
 - 2 640-644 Tenth Avenue 19,372 GSF, 5-Story
 - 3 1697 Broadway The Ed Sullivan Theater 130,000 GSF
- Leases**
- 1 360 West 55th Street \$507,500 - 2007 Sold Entire Building 1997
 - 2 870 Seventh Avenue Park Central Hotel 100 Rooms

- Retail Leasing**
- 1 788 Ninth Avenue 1,000 SF Retail Space
 - 2 Columbus Circle Turnstyle 1,200 SF Retail Space
- Parking**
- 1 200 Central Park South 208 Spaces
 - 2 247 West 46th Street 101 Spaces

Eastern Consolidated's Recent Times Square/Hell's Kitchen Closed Transactions



311 West 43rd Street

Property Type	Office - Sold
Location	Midtown
Square Footage	186,000
Selling Price	\$107,000,000



615 Tenth Avenue

Property Type	Development Site - Financed
Location	Midtown West
Square Footage	105,000
Bridge Loan	\$27,000,000



22-24 West 38th Street

Property Type	Office - Sold
Location	Midtown
Square Footage	+ 70,000
Selling Price	\$43,500,000



788 Ninth Avenue

Property Type	Retail -Leased
Location	Hell's Kitchen
Square Footage	1,400

Eastern Consolidated's Select Times Square/Hell's Kitchen Exclusives



305 West 48th Street

Property Type	Development Opportunity; 99-year triple net lease
Location	Hell's Kitchen
Square Footage	up to 59,177 on 50' x 75' lot
Selling Price	Requesting Proposals



605 Tenth Avenue

Property Type	Retail - For Lease
Location	Hell's Kitchen
Square Footage	2,212 with additional 1,600 courtyard
Asking Price	Available Upon Request



696-700 Ninth Avenue

Property Type	Retail - For Lease
Location	Hell's Kitchen
Square Footage	2,700
Selling Price	\$200/ sf