

Hentze-Dor Real Estate, Inc.

April 14, 2014

Another big West Side site could go for \$100M

A two-story Bauhaus-style building at 350 West 39th St. could become a tower. Eliot Spitzer, meanwhile, wants to expand his footprint at nearby 511 West 35th St. By Daniel Geiger April 14, 2014 350 W. 39th St. A two-story, Bauhaus-style building at 350 W. 39th St. could become a tall tower. Another large development site in midtown's far West Side is coming to market with a price tag in excess of \$100 million. A sales team led by Robert Knakal, chairman of the brokerage company Massey Knakal Realty Services, is bringing 350 W. 39th St., a low-rise building that could be replaced with a 300,000-square-foot mixed-use tower, to the auction block. The lot's zoning allows for about 160,000 square feet of residential space and up to 50,000 square feet of retail. The rest of the building could be used as a hotel or offices, Mr. Knakal said. "This site represents an outstanding opportunity in the exploding Times Square, Penn Station and Hudson Yards triangle," Mr. Knakal said. "The likely uses here include residential, retail and hotel. We anticipate tremendous activity for this unique site." The parcel sits at the periphery of the Hudson Yards, where several development sites have changed hands in recent months for princely sums in a buying boom that underscores the neighborhood's transformation into a colossal residential and commercial district. As Crain's reported last week, developer Sean Ludwick is acquiring a collection of adjacent parcels across the street from the Jacob K. Javits Center at 470 11th Ave. Mr. Ludwick plans to raise a 700-foot mixed-use tower. Another developer, Madded Equities, also just signed a long-term lease for 451 10th Ave., a parcel on the corner of West 35th Street where it too could build a 700-foot mixed-use building. And late last year, former New York Gov. Eliot Spitzer, bought 511 W. 35th St., a development site that Crain's has learned he is now trying to expand by acquiring the neighboring parcel on the southwest corner of West 36th Street and 10th Avenue. According to city property records, the owner of 350 W. 39th St. is Robert Greenberg, the founder and chief executive of the advertising firm R/GA, which currently has its headquarters on the site in a low-rise property Mr. Greenberg developed in 1984. The building is a Bauhaus-style two-story property. On its website, the firm said it began occupying the space at a time when the neighborhood resembled the gritty city depicted in the film Taxi Driver. R/GA's lease at the building stretches until 2015, according to Massey Knakal, giving a buyer of the site time to plan a development while collecting rental income. A call to a spokeswoman at R/GA was not immediately returned. Mr. Knakal, a sales broker who specializes in the Hudson Yards area, is also in the process of selling one of the largest development sites there, a parcel between West 34th and West 35th Street and 10th Avenue and the soon-to-be-completed Hudson Boulevard. Tishman Speyer is buying that site for more than \$200 million, according to reports, and possibly a neighboring parcel that would allow for one of the city's largest commercial office towers in the city.