BKREA

260 West 36th Street

FOR SALE • OFFICE

GUIDANCE UPON REQUEST • OFFERING MEMORANDUM

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Property Description

BKREA has been retained on an exclusive basis to arrange the sale of 260 West 36th Street (“The Property”), a remarkable 9-story office building. The property has a lot area of roughly 7,266 SF and is located on the south side of West 36th Street. It is just two blocks north of Penn Station, Madison Square Garden, and the newly renovated Penn District.

Constructed in 1907, 260 West 36th Street has a total of 102,611 RSF and features 73.58 feet of frontage along West 36th Street. The Property is currently in an M1-6 zoning district (in the Special Garment Center District), but is located in the proposed Midtown South Mixed Use (MSMX) rezoning area. If approved, the Property would be rezoned to M1-9A/R10, allowing up to 18 FAR for residential use (inclusive of MIH) and 15 FAR for commercial.

At present, 260 West 36th Street has a weighted average lease term of approximately 2.14 years and an occupancy rate of 59%, with cancelation clauses built into the leases for 260 West 36th Street. Given the existing vacancy at 260 West 36th Street, a potential investor could add value by renovating and leasing the vacant floors. Furthermore, the Property represents a potential covered land play, where an owner can collect existing cash flow while going through the planning process for a conversion.

Due to the 41% vacancy rate of 260 West 36th Street, there is also potential for redevelopment with several possible schemes or sold as part of a larger redevelopment site along with 500 and 516 8th Avenue.

We have consulted with esteemed architects and zoning specialists to understand the full possibility of a conversion. This resulted in multiple potential development schemes. Along with 260 West 36th Street, 500 8th Avenue offers an outstanding opportunity for value-add investors or developers looking to capitalize on the strong demand drivers in the Midtown neighborhood.

The property is strategically located near the Penn District and Hudson Yards, catering to office tenants who want to be close to mass transit. It could offer walk-to-work convenience for future residential tenants in area is filled with excellent dining options, shopping outlets, and Madison Square Garden, which hosts several events throughout the year. Additionally, the Property is in a proposed rezoning area where it is on the precipice of a massive increase in the development potential of up to 34 stories and contains a total floor area of 401,656 SF, not including TDRs from 260 West 36th Street

PROPERTY OVERVIEW

Address	260 West 36th Street
Location	South of 36th Street, between 7th Avenue and 8th Avenue
Block / Lot	Block 785 | Lot 75
Submarket	(Neighborhood)
Zoning	M1-6 / GC
Historic District	No
Year Built / Altered	1907 / 1986
Stories	10
Elevators	3 Passenger and 1 Freight
Lot Dimensions	Lot Frontage: 73.58 ft Lot Depth: 98.75 ft
Total Lot SF	7,266

Above Grade GSF**	81,375
Below Grade GSF**	0
Total Grade GSF**	81,375

(Per Client Rent Roll) Above Grade RSF	83,627
(Per Client Rent Roll) Below Grade RSF	18,984
(Per Client Rent Roll) Total RSF	102,611

Assessment (24/25)	$5,749,397.00
Taxes (24/25)	$618,750.12

CONSTRUCTION OVERVIEW

Construction / Framing	Concrete and Cinderblock Framing
Windows	Wood Frame Windows in the front of the building, Aluminum Frame Windows in the rear of the building
Heating Systems	Steam Boiler, Oil #4, 3,000 Gallon Tank
Cooling Systems	Window AC units except, floors 8, 9, 10 which are Cental Air
Domestic Hot Water (DHW)	Yes
Sprinklers	Yes
Elevators	3 Passenger Elevators and 1 Freight Elevator
Gas & Electic Utility Providers	Con Ed
Fire / Life Safety	Croker Fire Prevention
Ceiling Heights Slab to Slab	12 Ft, except for floor 2 which is 14 Ft

Highlights and Tax Map

Value Add Potential:

Future investors could renovate and lease up the existing vacancy floors

Covered Land Play:

There are different strategies allowing investors and developers to earn existing cash flow while going through the planning process for a redevelopment

Assemblage of Major Substantial Blockfront Frontage:

500-516 8th Avenue offers an astounding 197.5 feet along the eastern side of 8th Avenue

Abilty To Deliver Vacant:

Cancellation causes are in place in all the leases of 260 West 36th Street, allowing asset to be delivered vacant

Ample Transportation Available:

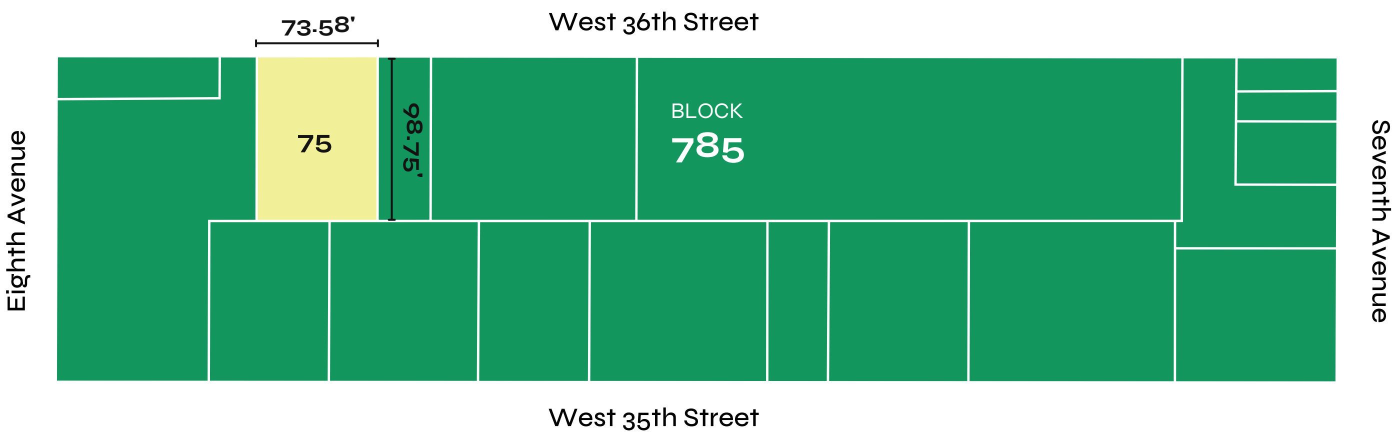
Within walking distance to the property are several transportation hubs which service 1,2,3,A,C,E, the LIRR and NJ Transit

Favorable Midtown Location:

The property is located near several Fortune 500 companies, popular restaurants and retail establishments

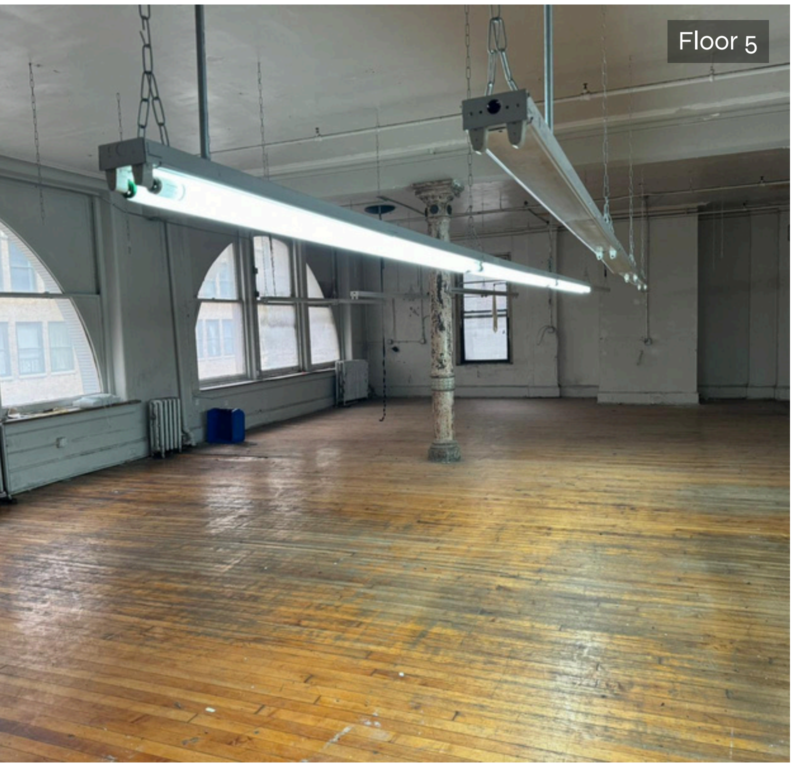
Multiple Potential Rezoning To Development Schemes:

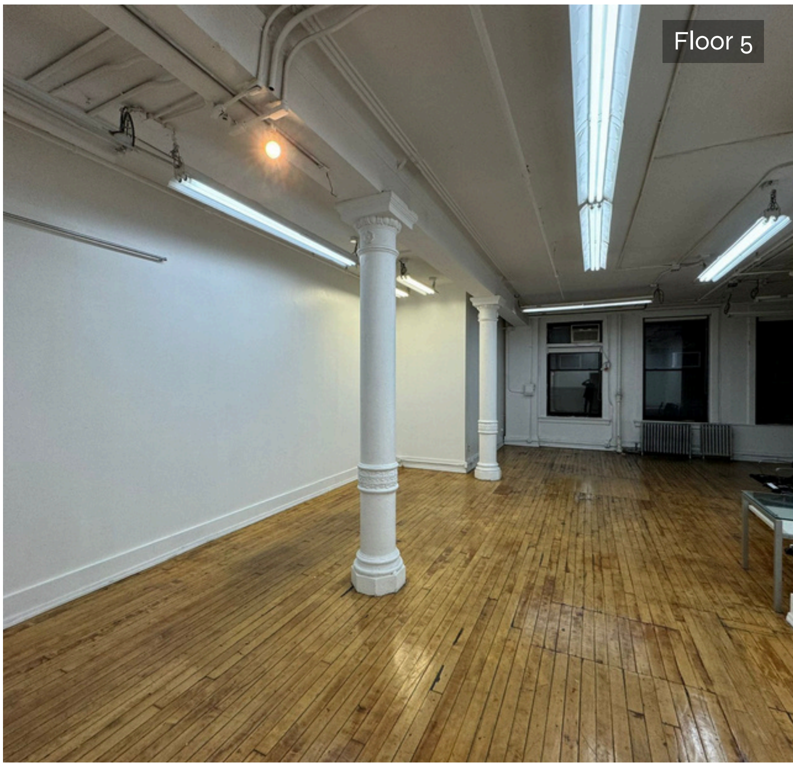
Due to the favorable M1-9A / R10 zoning a developer may have several options of conversions



Photos


10th Floor


Floor 5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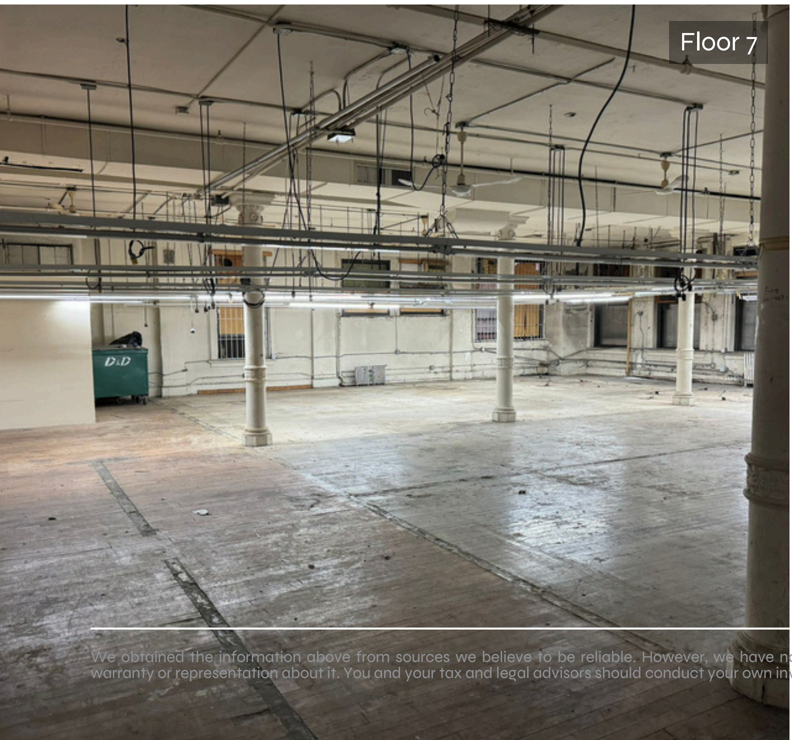

Floor 7

Neighborhood Overview

Midtown Manhattan Overview:

Midtown Manhattan, stretching from 34th to 59th Street, is the dynamic center of New York City's commerce, culture, and entertainment. It houses Madison Square Garden, famed as the world's most famous arena, hosting major sports teams like the New York Knicks and Rangers, and celebrated for Billy Joel's record-setting 150 live performances. Times Square, nearby, continuously buzzes with tourists and street performers, creating a vibrant and energetic atmosphere. Bryant Park offers a peaceful retreat with its lush greenery, contrasting sharply with the urban bustle. Another cultural beacon, Radio City Music Hall, is renowned for its high-profile events and the legendary Rockettes. A major new development in the area is the collaborative casino project by SL Green, Caesars Entertainment, and Roc Nation at 1515 Broadway, slated to feature a luxury casino, a high-end hotel, and a redesigned Broadway theater that will become the new home of "The Lion King

Midtown Business and Office Demand:

Midtown is recognized as the epicenter of corporate America, with office spaces in iconic buildings such as One Vanderbilt, the Chrysler Building, and the Helmsley Building, which are headquarters for several Fortune 500 companies. The Empire State Building continues to be a significant draw for major corporations like LinkedIn, underscoring Midtown's prominence as a premier business district. These buildings benefit greatly from their proximity to major transportation hubs like Penn Station and Grand Central, which are vital for sustaining high leasing activity. In response to the evolving work culture influenced by the increase in remote work, Vornado Realty Trust has undertaken extensive redevelopment projects in the Penn District, revitalizing One Penn Plaza and Penn 2 to attract corporate tenants, including notable firms like ADP New York and Goetz Fitzpatrick. In the first quarter of 2024, Major League Soccer (MLS) leased 125,013 square feet across two floors in Penn 2, nearly doubling their previous office space. Furthermore, Amazon's commitment to the area is evident in its innovative renovation of the historic Lord & Taylor building into modern office spaces.

Superb Shopping:

Midtown is recognized as the premier shopping area in the world as it is home to an array of both national retailers as well as small boutique shops. On 34th Street, flagship stores of renowned international brands like Footlocker, Zara, and H&M line the bustling sidewalks, offering endless options for retail indulgence. The original Macy's department spans an entire block along West 34th Street between 6th and 7th Avenues. The 12-story, 1.25 million squares of retail can be seen at the finishing line of the famous Thanksgiving Day Parade. The Garment Center portion of Midtown is historically known for its role in the production of clothing. The area is home to a wide assortment of small boutique wholesalers, fashioners, and designer showroom options.

Dining Options:

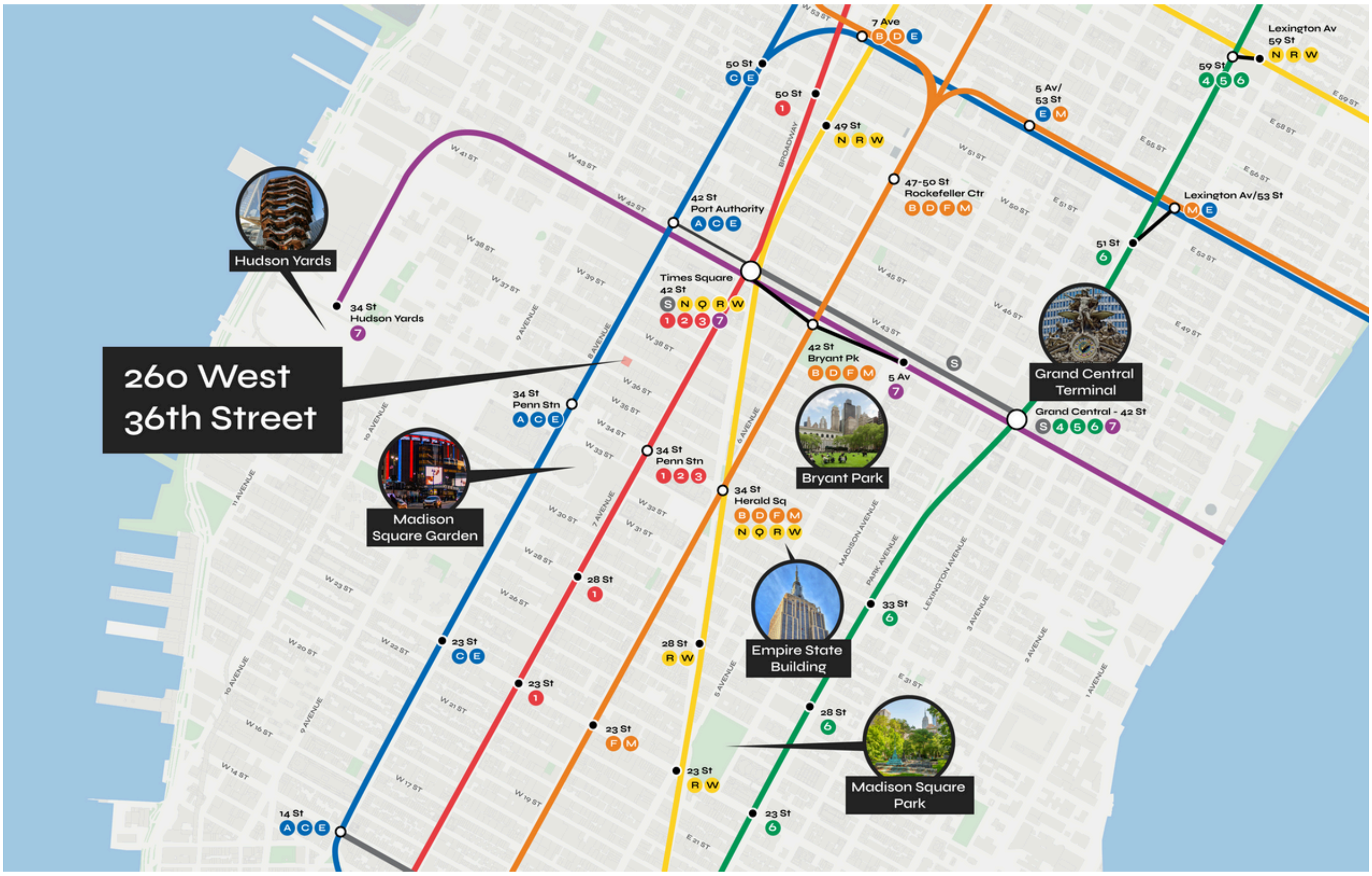
Midtown caters to a diverse range of diners, accommodating residents, tourists, and busy professionals alike. For local convenient options, appealing to employees looking for a quick bite, places like Sweetgreen, Shake Shack, Chick-fil-A, Cava, and Joe's Pizza offer tempting options. Additionally, renowned New York institutions such as Wolfgang's Steakhouse, The Palm, and Keens Steakhouse, provide upscale dining experiences.

Beyond its ample dining establishments, Midtown offers an exciting bar scene. Prestigious hotels like the Virgin Hotel and Nubeluz by Jose Andres at the Ritz-Carlton offer stunning rooftop views of the city. Furthermore, local favorites such as The Ragtrader, Valerie, and Stout create a casual environment.

Transit Overview

Within a short walking distance from 260 West 36th Street are several subway stations, enhancing its appeal for those seeking convenient transportation. This location provides both residents and office tenants with reduced travel times and improved connectivity throughout Manhattan and the outer boroughs. Just a two block south of the property is the 34th Street-Penn Station Subway Station, offering access via the A, C, E, 1, 2, and 3 subway lines. Additionally, for commuters traveling outside the city, the LIRR and NJ Transit are notable options. For those making longer journeys, the Amtrak station located at Moynihan Hall provides transportation to major metropolitan areas such as Philadelphia, Washington, DC, Miami, and Boston.

Aside from the train and subway access, there are several bus stations nearby, including the M20, M34-SBS, M34A-SBS, SIM23, and SIM24, along with several others. Furthermore, the Port Authority Bus Terminal, which serves numerous bus lines, is a 7-minute walk from the property.



Meet the Team

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