

57 West 38th Street, Suite 605 | New York, NY 10018
T: 212-575-0022 | F: 212-575-0022
www.highcapgroup.com | info@highcapgroup.com

BD Hotels buys Salvation Army Midtown tower for \$28M

Published in therealdeal.com July 2010

Hotel owners Richard Born and Ira Drukier, principals with BD Hotels, led a partnership that yesterday bought a former women's residence in Murray Hill for \$28 million from the Salvation Army, Born told The Real Deal.

BD Hotels plans to rehabilitate the vacant, 17-story property at 145 East 39th Street, between Third and Lexington avenues, and open it as a hotel before the end of 2011, he said.

The 98,815-square-foot building was constructed in 1918 as a hotel called the Allerton House, and was designated a landmark by the city in 2008.

The building currently has 342 rooms, city Department of Buildings records show, resulting in a price of about \$82,000 per key.

Born's hotel company has an ownership interest or operates 22 hotels in New York City including Chambers in Midtown at 15 West 56th Street, and Maritime in Chelsea at 363 West 16th Street.

BD Hotels and its partners were represented by Christen Portelli, a managing principal for brokerage Highcap Group. Salvation Army was represented by Colliers International brokers Robert Freedman, Jonathan Plotkin and James Murphy. The Colliers brokers and the Salvation Army did not respond to requests for comment.

The sale transaction has not yet been published on the city's property website, Acris.

Hospitality consultant Steven Kamali, who was not involved in the transaction, said the proximity of the building to students from New York University and Yeshiva University makes it a good location for a hotel.

That building is well-situated in Murray Hill for potentially successful food and beverage outlets," within the hotel, he said.

