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Big profit in Little Italy

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A 16-unit Little Italy apartment building has sold for \$22.25 million.

133 Mulberry Street

AM Manhattan Realty paid \$10 million to purchase the property in 2000, according to city records, and then spent several million converting the property to high-end rentals and creating space for the upscale Italian eatery, SPQR.

Josh Goldflam, managing principal of Manhattan based investment sales firm Highcap Group, along with associate Michael Ferrara, represented the buyer.

“This transaction is a rare sale and illustrates how well-located Manhattan buildings are still achieving prices that are comparable to the values that we have seen in the boom years due to the lack of quality supply in the marketplace,” said Goldflam.

The purchase price represents 13.5 times the gross rent roll, a 5% CAP Rate, and \$530 psf, according to Goldflam, who said the buyer is a local landlord who may consider a condo conversion at the property.

However, in the short term, it is likely the new owner will continue running the property as a luxury rental, capitalizing on the strong Manhattan rental market.

According to latest reports from Manhattan real estate brokerage Citi Habitats, rents in the city remain at an all-time high while vacancy is been consistently low throughout the year.

The average Manhattan apartment rented for \$3,315 during November 2011, a six percent increase on the same time last year, while that vacancy rate during November 2011 was 1.16%, considerably lower than November 2010's rate of 1.29%, according to Citi Habitats.

133 Mulberry contains 16 free market luxury lofts with 10-12 ft ceilings, all with high end condo-quality finishes.



“The building has been totally upgraded and renovated in recent years and the apartments are gorgeous,” said Goldflam, who added that the building has 75 feet of frontage on Mulberry Street and consists of nearly 42,000 s/f in total.

The ground and 2nd floors are occupied by SPQR. “There aren’t too many restaurants on the block and certainly not with that type of presence,” added Goldflam. The seller was represented by Tom Brady of Town Real Estate.

“On a street where commercial properties so rarely come on the market, we saw overwhelming interest as soon as we listed the property, as we also have since listing 123-125 Mulberry,” said Brady, who is also listing a nearby property at 123-125 Mulberry Street for a different seller.

“This is a magnificent asset that should appreciate substantially given its highly sought-after location.”