

Case Studies - Residential Acquisitions

227 West 61st Street  
New York, NY

Acquisition: 227 West 61st Street, New York, NY  
Price: \$33.03 million

In August 2005, Cofinance Inc. ("Cofinance") in partnership with a private real estate investor, completed the purchase of a half-acre site at the address 227 West 61st Street ("227 West 61"). 227 West 61 is improved with a 73,500 SF four-story building constructed in 1927 and later renovated in 1995.

**Multiple broker relationships and a difficult seller permitted Cofinance to effectively work the bid process. Because of its focus and persistence Cofinance was able to purchase the property for \$1.5m less than a higher offer.**

The building was leased to the Board of Education through 2010. The Board of Education operates the Beacon High School in the building that is one of the top-ranked schools in the city.

227 West 61 is zoned R8 which permits the development of 138,105 SF based on a 6.02 FAR per square foot of land. The plan was to "land bank" 227 West 61 until the Board of Education lease expires. 227 West 61 unencumbered by a lease is worth in excess of \$350 per FAR foot. Once the Board of Education lease expires, 227 West 61 can be sold unencumbered as a residential development site, its highest and best use, or redeveloped.

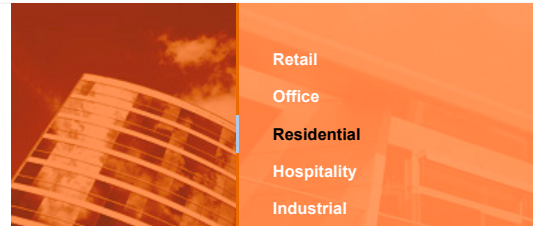
Located in the Lincoln Square submarket, 227 West 61 is a half block from Fordham University, John Jay College and Lincoln Center, all of which announced aggressive expansion plans. In addition, Apollo, Brack Capital, and LHL all have major residential towers under construction.

### Investment Highlights

- Purchased for an average of \$239 per FAR foot with recent sales in the immediate 1 block radius trading at \$435 per FAR foot.
- Secured non-recourse financing for 52% of the total capitalization from a regional bank for a 5-year term with flexible prepayment terms.
- Leveraged IRR is projected to be 31.7% within a three (3) year period.

[Gateway School - NY >](#)

[Download PDF Document](#) 



Retail  
Office  
**Residential**  
Hospitality  
Industrial

#### Residential Acquisitions

[227 West 61st Street - NY](#)

[Gateway School - NY](#)

*"We are very happy to have been able to secure such a well located site in the heart of one of the fastest growing submarkets in New York City."*

- Jim Maurer  
President, Cofinance Inc.



[View >](#)



[View >](#)



[View >](#)

