



## **Schenker and Hornstock of ABS close 99-year lease**

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Gregg Schenker, ABS

Steven Hornstock, ABS

Manhattan, NY ABS Partners Real Estate, East End Capital and AEW have closed on a new 99-year ground lease at 136 East 57th St., located in the Plaza District, according to Gregg Schenker and Steven Hornstock, of ABS Partners Real Estate, and Jonathon Yormak of East End Capital. The property has been owned and managed since the 1980s through a partnership controlled by Richard Halpern of Silk & Halpern Realty Associates.

“We are delighted to have completed this transaction with Richard Halpern and his group of investors,” said Hornstock. “Our triumvirate investment group believe the ground lease structure is ideal for the fee owners and the new investment group because both parties efficiently achieve their goals, with the responsibility for new substantial investment to modernize the property falling upon the net lessee. ABS has a long history of creating ground leases and advising major property owners regarding ground lease structures.”

The 20-story property, designed by renowned architect Ely Jacques Kahn and built in 1937, sits on the southeast corner of 57th St. and Lexington Ave. and contains 110,000 rentable s/f of office and retail space. The building is currently about 70% leased.

Bank United is the largest tenant at the property, occupying the ground, second and lower level floors.

The partnership has retained Gensler to design over \$15 million of upgrades to reposition the building, which shall include the windows, facade, lobby, elevators and a pre-built program. Other upgrades will include an ultra-modern VRF conditioning system; sprinkler installation throughout 100% of the property; sophisticated, brand-new bathrooms; new elevators and cabs; electrical upgrades; and improvements to other core infrastructure.

The leasing effort will target full-floor space users seeking prominence in the Plaza District in order to promote their unique identity.

Charles Conwell III of ABS, who will serve as the leasing agent for the property, noted that individual floorplates range in size from 2,500 to 6,000 s/f. “In certain instances, there are setbacks in the 20-story structure, which provide for newly enhanced outdoor terrace space. The floors provide unusual light and air due to the two double-wide streets upon which the property sits, as well as excellent ceiling heights of 12-feet, coupled with new, modern installations, which include high-tech glass office fronts.”

“Our firm is delighted to partner with ABS and AEW, and will oversee the major construction project,” said Yormak of East End Capital. “The work, for which the planning has already commenced, is scheduled to be completed within a year and will totally transform the property into a state-of-the-art modern efficient workplace for our new tenants.”