



Davidson and Blumberg of Besen sell two-story, 8,150 s/f retail property; Located at 172-174 Montague Street, Brooklyn Heights

July 30, 2012 - Front Section

Besen & Associates brokered the sale of 172-174 Montague St. located in the Brooklyn Heights neighborhood. The transaction amounted to \$12 million and was sold by the team of David Davidson and Lynda Blumberg.

The property is a two-story, 8,150 s/f retail building containing two stores, constructed in 1925. It occupies 50 ft. of frontage on Montague St. and is built 95 ft. deep. Tenants include a Hallmark store and a pub, with leases expiring by July 2013. It is situated in the Downtown Brooklyn special district, under the C5-2/DB zoning designation. With a maximum allowable F.A.R. of 12, the property offers significant air rights with up to 60,000 buildable s/f.

"The owner was very shrewd," said Davidson, who represented the seller. "He resisted the temptation to sell his air rights on several occasions after receiving unsolicited offers." In 1999, a 34-story rental building was constructed next door at 180 Montague St. It was subsequently sold in 2006 to Archstone Smith, a residential REIT, for \$101 million.

Montague St. is one of the most highly trafficked streets in the borough of Brooklyn, with both national and local retailers. It is within a hub of public transportation and in vicinity of the Fulton Mall, court house, and downtown business district.

The seller, a private investor, had at one time owned the Hallmark franchise in the building and later subleased it to collect rent instead. It was sold to a local developer who plans to build on the site in the future. After years of being courted by sales brokers, he decided the time was right to sell. The price of \$12 million equates to a price per buildable foot of \$200, which is considered high for Brooklyn where land sales have recently averaged closed to \$120 per foot. Yet is still not quite that of Manhattan, where development sites have been selling for numbers upward of \$300 per buildable s/f in 2012.

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