



Doshi and Mehra of Meridian, with Glasser and Fusco of Marcus & Millichap sell 66-unit Bronx building for \$10.25m

July 20, 2020 - Front Section



Amit Doshi

Shallini Mehra

Seth Glasser

Michael Fusco

Bronx, NY Meridian's Amit Doshi and Shallini Mehra closed on the sale of 3111 Heath Ave. in the Kingsbridge Heights neighborhood. The six-story elevator building sold for \$10.25 million, yielding a capitalization rate of 6.50%, \$166 per s/f, \$151,500 per unit, and a gross rent multiplier of 8.3 times.

The 60,295 s/f above grade property consists of 66 apartments and features 134 feet of frontage in

addition to a useable 20,000 s/f tri-level basement with high ceilings. The building is 100% occupied and contains 10 free market units and 25 with preferential rents.

“Prior to the June 2019 rent law changes and COVID-19, we had a deal on this asset for \$13 million. The fundamental changes in rent laws eroded \$3 million in market value. Furthermore, the 150-ft.-wide retaining wall collapsed, which the seller replaced at their own expense of \$2 million. In short, anything and everything that could have gone awry with deal did. However, with patience, persistence, and perseverance, we successfully closed the transaction,” said Doshi.

The seller, the Caruso family, spent \$3 million in building-wide renovations and improvements, including installing a new boiler, dual fuel burner, brand new lobby, and common area upgrades. Additionally, they renovated 57% of the apartments and installed in-unit washers and dryers.

“Aside from the property’s bells and whistles, the paperwork and tenant records were in excellent order. As a result, the due diligence was a smooth process and it was a pleasure to work with the Caruso family,” said Mehra.

This is Doshi’s fifth deal for the family, having sold 2719 and 2721 Morris Ave. both to Prana, 2320 Creston Ave. to Paul Gazivoda, and a development site at 104 Terrace View Ave. to Sean Sedaghatpour.

Doshi and Mehra, along with Seth Glasser and Michael Fusco of the New York Multifamily Group at Marcus & Millichap, represented both the seller, the Caruso family, and the purchaser, Doug Peterson of City Skyline Realty in their co-exclusive. David Gold of Gold & Rosenblatt represented the seller, while Anthony Simari of Holm & O’Hara LLP represented the purchaser.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540