



MAG Partners selected by Penn South cooperative for 335 Eighth Ave. redevelopment; design by COOKFOX

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Manhattan, NY Penn South, an affordable housing cooperative located in the Chelsea community of Manhattan, has selected MAG Partners to redevelop 335 Eighth Ave. into a mixed-income apartment building with ground floor commercial space, including a grocery store. The new 200-unit building will be developed under the Affordable NY Program with 30% of its units reserved for low-and-middle income New Yorkers. The building will commence construction in 2022.

The redevelopment will replace the existing building with a modern, seven-story building that is about 200,000 s/f, designed by renowned local architects COOKFOX. MAG Partners will develop and operate the building under a long-term ground lease.

The ground lease payments will support Penn South's core objective to maintain long-term affordability and quality of life for its nearly 5,000 residents.

"It is an honor to partner with Penn South and join their long legacy of community-building in Chelsea. We are committed to building in a way that enhances this beautiful neighborhood and provides value to the coop's long-term sustainability," said MaryAnne Gilmartin, founder and CEO of MAG Partners.

Penn South, also known as Mutual Redevelopment Houses, initiated a process to identify and select a development partner to transform a corner parcel with a commercial building that required significant repairs. The revenue produced by this site is an essential component of the Penn South operating budget, so the co-op sought a partner that would shoulder costs of construction and the risks associated with development and provide the co-op a reliable source of ongoing revenue.

"The top priority for the Board of Directors is to preserve the affordability of Penn South for current residents and future generations. We needed a solution that does not require our shareholders to pay major increases in monthly maintenance fees. The stores are supposed to subsidize the apartments, not the other way around. I am pleased that we found a partner who will help us achieve these key objectives through the development of a new building that is contextual and appropriate to the surroundings," said Ambur Nicosia, President of the Penn South Coop Board.

MAG Partners chose Rick Cook and COOKFOX to design the building. At the heart of Penn South,

the design seeks to bridge the historical character of Chelsea, mid-century visions of urban living and contemporary aspirations for a new building that supports sustainable and healthy living. The MAG Partners team is currently working with COOKFOX at 241 West 28th St., a 480-unit apartment building slated to finish construction in late 2022.

“We believe it is a special opportunity to reimagine this important corner of Chelsea and design wellness focused, nature connected residences for a diverse new community,” said Rick Cook, founding partner of COOKFOX.

Paul Travis of Washington Square Partners provided real estate advisory services to the coop.

Susi Yu, principal and head of development, led the deal for the MAG Partners team.

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