



Lights, camera...action! - by Shallini Mehra

April 11, 2023 - Front Section



Shallini Mehra
Managing Director, Investment Sales

High interest rates, inflation, investors “in limbo,” and turmoil in the banking sector are dominating recent headlines, leading to overall lower transaction volume across New York. However, investors and brokers are resilient and are constantly looking for ways to be creative – some of which appear to be working. Let’s look at the bright side and explore several recent wins:

Clicks-to-Bricks

Ben Biberaj, a senior director in Meridian’s retail leasing group, said, “Clicks-to-bricks tenants love downtown Manhattan.” Biberaj successfully leased 1,300 s/f at 250 Lafayette St. with an asking monthly rent of \$26,000, or \$240 per s/f, to New York or Nowhere, an online-founded fashion brand whose mission is to bring the New York community together. The Meridian retail leasing team also leased 1,800 s/f at 134 Orchard St. with an asking rent of \$19,995, or \$133 per s/f, to Vault 134, a men’s lifestyle retailer that also originally started online and boasts a strong celebrity following. Clicks-to-bricks is breathing new life into New York’s trendy downtown neighborhoods while creating new opportunities for brokers to transact, even in a challenging market.

Mixed-Use, Rent-Stabilized, Bread & Butter

Amit Doshi, a senior executive managing director of Meridian Investment Sales, always focuses on the positive. “Tight credit markets breed creative and nimble solutions,” said Doshi. Using this strategy, the team recently closed the sale of three contiguous buildings on St. Nicholas Ave. The buildings were under a long-term ownership with no debt. The seller agreed to hold a first mortgage, and the deal closed under a simultaneous contract/closing transaction. The owner was not pursuing a 1031 exchange, so this structure was a win-win for both sides as it resulted in steady income for the seller and allowed the purchaser to skip the underwriting/loan process. With cap rates up, we are seeing solid demand for well-maintained, cash-flowing properties.

Outer Boroughs – Location Still Matters

The “location, location, location” story does not get old and still commands premium pricing, as proven by the Meridian Investment Sales team’s recent sale of 2848 Church Ave. This property, a former bank building located at the high-traffic corner of Nostrand and Church Aves., resulted in a record price-per s/f of \$705. The building has always been occupied by national tenants, and as aforementioned – location, location, location...you guessed it – location!

In Conclusion

It is these challenging times that arm New York City commercial real estate players with “edge” and “grit,” and make us the gusty hard workers we’re credited to be. This is New York. The show must go on!

Shallini Mehra is a managing director at Meridian Investment Sales, New York, N.Y.