



## **Arrow Real Estate Advisors acquires 317 and 321 East 17th St. for \$33.5 million**

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Manhattan, NY Arrow Real Estate Advisors has acquired 317 and 321 East 17th St. The two properties were acquired from Mount Sinai Hospital and were used as medical offices for the hospital. Located in the Gramercy neighborhood, the two properties will both be converted into residential housing. Morris Betesh, managing partner, Jack McPhail, senior vice president, and Alex Ellman, senior associate at Arrow Real Estate Advisors completed the financing.

Arrow Real Estate Advisors' clients purchased both the 317 and 321 properties for \$33.5 million with \$30 million in total financing.

The acquisition included the signing of a 99-year ground lease on the property to a non-affiliated third-party who will turn both properties into luxury multifamily housing. Once renovated the class-A multifamily property will include 96 residential units, split into 74 free market units and 22 units of affordable housing. The properties are eligible to benefit from the 467-m tax abatement, a newly adopted incentive program promoting the redevelopment of commercial assets into residential housing. Once completed, the project is eligible to receive 35 year abatement of taxes up to 90% of the fully assessed tax burden. The converted property will retain 8,300 s/f of commercial space. The prime location in Gramercy has a strong rental market where demand has remained robust due to the neighborhood's convenient distance to cultural landmarks, reputation for safety, and picturesque streets.

"This acquisition marks a significant milestone, showcasing our ability to navigate a complex and competitive market, while aligning with our client's strategic business plan to maximize long-term value of the property through a smart, sustainable conversion," said Betesh. "Our team's deep market expertise and ability to identify opportunities while mitigating risk underscores our commitment to providing clients with the maximum value."

Arrow Real Estate Advisors' team worked within a tight, 30-day closing timeframe with a hard time-of-execution date. They financed a \$30 million mortgage, which was a high leverage loan-to-purchase price perspective. They worked with the lender to create an added value lease structure that captured the low loan-to-value ratio of the property. Arrow's team worked with the client to create a strategic business plan to reduce risk and ensure the longevity of the assets value.

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