



Von Der Ahe and Edelstein of Marcus & Millichap arrange public sale: Final auction price was \$4.9 million

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Marcus & Millichap Real Estate Investment Services has arranged the public sale of 100% of the membership interests in Mediterranean Sun Property LLC and Sohomar Property LLC, which were pledged as collateral for a defaulted loan. The LLCs are single-purpose entities organized to own and operate 448 Broome St. and 450-52 Broome St., two mixed-use buildings in SoHo. The final auction price was \$4.9 million.

Peter Von Der Ahe, a VP investments, and Scott Edelstein, a senior associate at Marcus & Millichap, arranged the sale on behalf of the buyer, Caixa de Aforros de Vigo Ourense e Pontevedra, a Spanish bank. Marcus & Millichap was hired by Caixa de Aforros to perform the auction, which was the entity's preferred method of foreclosing on the LLCs that owned the property.

The two buildings, located at the corner of Broome and Mercer Sts., encompass a total of 27,174 s/f. Both properties have residential and commercial space.

"The membership interests of these LLCs were pledged as collateral for a loan on a development project in south Florida by three Spanish developers," said Von Der Ahe. "In February 2008, the borrowers defaulted on the construction loan in south Florida. Upon default, the bank asserted its rights to the collateral by offering a public sale of the membership interests in the LLCs that were formed to operate the Manhattan property."

"The SoHo buildings were performing well," said Von Der Ahe, "But the developers were enmeshed in troubled investments in Florida, thus prompting them to put the New York assets up as collateral."

"More than 100 people responded to the auction, evidence that there is an incredible amount of equity on the sidelines waiting for opportunities," said Von Der Ahe. "Despite the near-term challenges facing the local economy and real estate market, the long-term outlook for New York City investment real estate remains strong."

According to Edward Jordan, Northeast regional director of the firm's Special Assets Services division and regional manager Marcus & Millichap, additional properties are expected to come under duress as economic conditions continue to soften in New York and throughout the region.

"To date, Marcus & Millichap has completed more than 1,500 special asset assignments for financial institutions, asset managers and large owners, including valuations, advisory work and dispositions," said Jordan. "Distressed properties and portfolios are being well received by our private investors, and we expect to market a large volume of these properties during the coming months and years. This is driven by our lender clients' need to clear their balance sheets and our fund clients actively working to free up capita."