



NYC Garment District Office Property Commands \$108M

by Keith Loria
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ATCO Properties & Management acquired the 18-story Class A office building from the RPW Group.



New York—ATCO Properties & Management has acquired 240-246 West 35th St., an 18-story Class A office building in Manhattan's Garment District, from the RPW Group for \$108 million.

"It is one of the garment center's best mid-block office buildings, with great light and air, better elevators and lobbies than other properties, and excellent floor plans," Damon Hemmerdinger, ATCO's co-president, told *Commercial Property Executive*. "While we

are happy to own this property at today's market rents, we believe that this will be the next neighborhood in Manhattan to see significant rent growth.”

Duval & Stachenfeld LLP represented ATCO in the acquisition and financing of the property, which was provided by MetLife.

The 165,000-square-foot office property was 96 percent occupied at the time of the sale, and includes a tenant roster of Cablevision-owned media group Newsday; leading fashion design Jason Wu; award-winning men's fashion and eyewear designer Thom Browne; technology company Fidelus Technology; leading foreign language school Spanish American Institute; and high-end bridal designer Reem Bridal.

Located just steps away from Penn Station and Herald Square, the property is situated in the heart of 35th Street, between 7th & 8th Avenues, which is quickly becoming a main east-west corridor between Hudson Yards and Midtown.

According to Hemmerdinger, the purchase reflects the company's continuing efforts to seek out opportunities in CBDs throughout the United States, including its hometown of New York City.

The acquisition marks ATCO's first in the Garment District and the 12th in its ACCRE investment platform, which was established four years ago. To date, ATCO owns and manages more than 35 buildings including notable Manhattan properties such as 555 Fifth Ave., 40 Central Park South, 41 West 58th St., 630 Third Ave., 381 and 373 Park Ave. South.

“It gives me great satisfaction to know that ATCO is the new owner of the property as it is a prominent company with an impeccable reputation,” Robert P. Weisz, RPW Group's CEO, said. “I look forward to seeing ATCO develop the building to its full potential and continue to provide existing and future tenants with outstanding service. 240 has been an excellent investment for our family, and I have no doubt that it will be for ATCO as well.”

Richard Baxter (now with Colliers International) and Anthony Ledesma of Jones Lang La Salle represented the RPW Group in the transaction.

The Duval & Stachenfeld team was led by Alan Cohen, Stephen Land, C. Kim Le, Sam Lee and Pejman Razavilar, all partners in the firm, with assistance from associates Danielle Ash, Carolina Morales and Leah Li.