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Walker Tower Penthouse Allegedly Linked to 1MDB Scandal **Asks \$45 Million**

The apartment last fetched \$50.9 million, making it the priciest ever sold in downtown Manhattan. Authorities claim it was purchased with money illegally siphoned from a Malaysian state fund.



A penthouse at Manhattan's Walker Tower is returning to market for \$45 million after last selling for \$50.9 million.
CORE

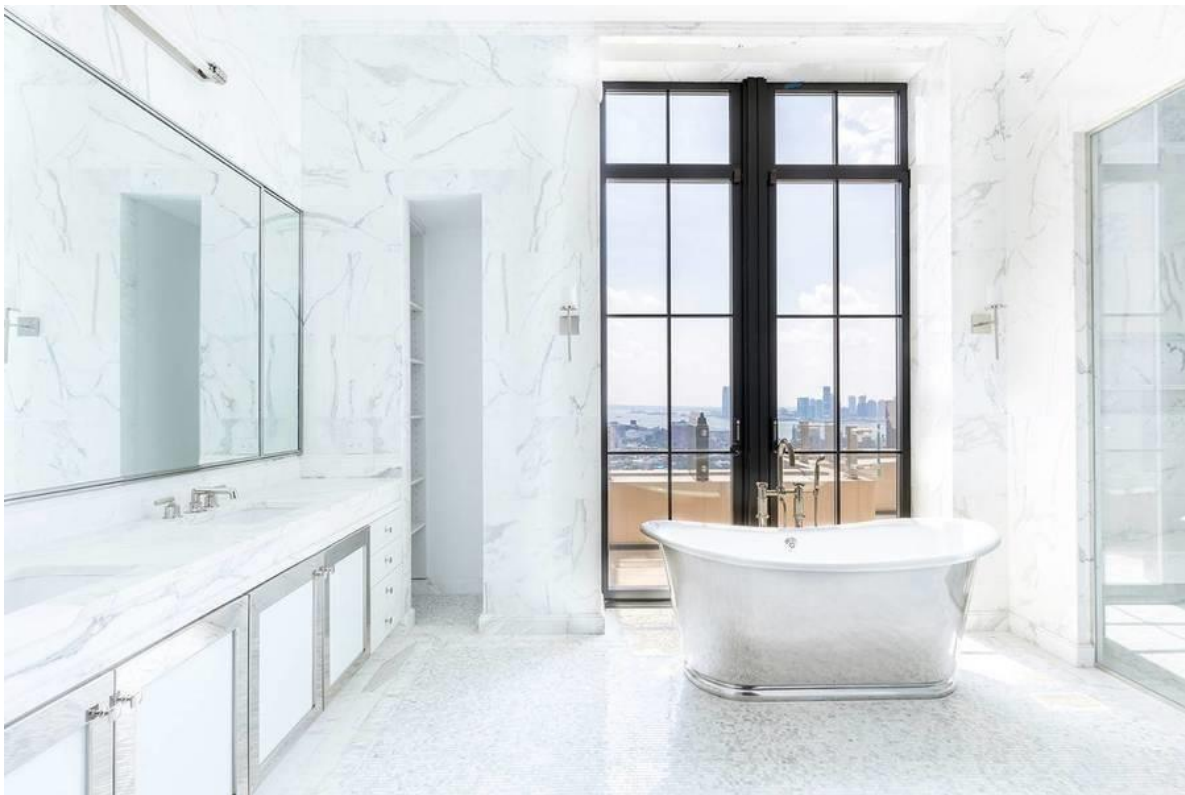
Three years ago, a penthouse made headlines when it closed for \$50.9 million, setting the record for the priciest apartment ever sold in downtown Manhattan. Now, in the wake of allegations that it was purchased with funds related to a \$4.5 billion Malaysian financial scandal, the unit is returning to market for \$45 million, according to people with knowledge of the plans.

Authorities alleged that the owner of the penthouse, a company named 212 West 18th Street LLC, is controlled by Abu Dhabi businessman Khadem Al Qubaisi, who they say

bought it with money illegally siphoned from Malaysian state fund 1Malaysia Development Bhd., known as 1MDB.

The 1MDB fund was started by Malaysian Prime Minister Najib Razak to encourage economic development, but more than \$4.5 billion of its funds were misappropriated by high-level officials of 1MDB and their associates between 2009 and 2015, according to the Justice Department. The government alleges Mr. Al Qubaisi received close to \$470 million siphoned from the fund.

Mr. Al Qubaisi's attorney declined to comment. An attorney for 212 West 18th Street didn't return a call seeking comment. 1MDB has previously denied any wrongdoing and said it would cooperate with any lawful investigation. Mr. Najib has denied wrongdoing, and has been cleared by Malaysia's attorney general.



*The nearly 6,000-square-foot apartment spans the top floor of the building. It has five bedrooms, 5½ bathrooms and 360-degree views.
PHOTO: CORE*

The Justice Department moved last year to seize the penthouse, as well as several other properties in New York and Los Angeles, as part of its fraud investigation into 1MDB, according to public filings. The Justice Department later stayed its seizure petition until it could complete a criminal investigation, filings show. A spokesperson for the Justice Department declined to comment.

Since the seizures were stayed, the limited liability company that owns the penthouse is free to sell the unit, according to people familiar with the situation. Attorneys familiar with standard procedure in such cases say the proceeds from a sale would likely be placed in a government escrow account, pending the results of the inquiry and any ruling on the seizure request.

Located at Walker Tower on West 18th Street, the nearly 6,000-square-foot apartment spans the entire top floor of the building. It has five bedrooms, 5½ bathrooms and 360-degree views that include the Hudson River, the World Trade Center and the Statue of Liberty, according to the listing. The owner, 212 West 18th Street LLC, tried to sell the unit for \$70 million in 2015, then later dropped the price to \$55 million.

Shaun Osher of Core, the company listing the property, said the unit is now priced to move. He said he doesn't know why the owner wants to sell. "It's a pedigree apartment, one of the best in the city, but the market is arguably a bit weaker on the luxury end," said Mr. Osher, who shares the listing with colleague Emily Beare. "Anyone who says it isn't, isn't telling the truth."

A number of high-end sellers have incurred losses in recent months. Records show that former Avon CEO Andrea Jung recently sold a family investment property at 1110 Park Avenue for \$17 million, \$600,000 less than she paid for it just last year, for instance.