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Condo Conversion Coming For Downtown Office Tower

A downtown Manhattan office building has sold for \$49.8 million and its new owner, a subsidiary of Izaki Group Investments USA, has ambitious plans to convert it into luxury condos. The deal closed on Tuesday.

The 165,000-square-foot building, at 335-337 Broadway and marketed as 93 Worth St., is expected to be fully vacant by the end of November. And the condo conversion plans, which have been filed with the New York state Attorney General's office, is expected to be approved before the end of the year, said Eldad Blaustein, CEO of the Izaki Group.

Crain's first reported the sale of 93 Worth St. in June.



The developer plans to convert the 13-story property into 90 apartments and six penthouses as well as 10,000 square feet of commercial/retail space. The conversion of the commercial building, which was built in 1924, will cost roughly \$320 per square foot and construction financing is lined up. Mr. Eldad declined to elaborate on the financing because that deal has not closed yet.

“The building is located in a great neighborhood, where there is limited inventory,” said Mr. Blaustein, noting that this will be the firm's first condo conversion in the city. “It also has great floor plates that will allow us to create efficient apartment layouts. It is a beauty.”

Apartments will range from studios to four-bedrooms, according to Doron Zwickel, executive vice president of CORE, the brokerage retained as the sales and marketing agent for the project. Price, depending on the unit, will range from \$1,250 per square foot to \$2,000 per square foot. The penthouses will have a private terrace. Amenities of the property will include a gym, children's playroom, lounge and 3,845-square-foot rooftop.

“The prices will be in line with other residential developments in the neighborhood,” said Mr. Zwickel, who has been advising the developer on the conversion of the commercial building since the beginning of the year. “We will be competitive and aggressive.”

ODA-Architecture is the project's architect. According to CoStar Group Inc., the lobby and elevators were recently renovated and 75% of the property was formerly occupied by city government offices. World-Wide Group acquired the building in 1998 for \$14.5 million, CoStar said.

It's unclear when sales of apartments at 93 Worth St. will begin, since the conversion plan approval is still pending. In the meantime, Izaki Group is working on another project in Manhattan, Mr. Blaustein said. The company recently bought the note on a development site in west SoHo, where it plans to build a new ground-up residential project. He did not provide the details on that project, describing it as very preliminary.