

# REAL ESTATE WEEKLY

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## SELLING POINTS: Peebles Corp., Clarion, Gaia, Mack-Cali and CW Capital

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By [REW Staff](#)

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### •Peebles Corporation



346 Broadway

### Partners to transform

#### 346 Broadway

The Peebles Corporation has closed on the \$160 million purchase of 346 Broadway, making it the largest single building sale in the New York City Economic Development Corporation's (NYCEDC) history.

The Peebles Corporation will partner with the Elad Group to redevelop the landmarked building.

Peebles and Elad will transform the 419,000 s/f space into a luxury residential building with a plan to revitalize the ornate building originally designed by Stanford White and Stephen Decatur Hatch of McKim, Mead & White.

Plans under consideration include a roughly 15,000 s/f community space, luxury condo units, a potential Five Star boutique hotel and personalized parking spaces.

As part of Mayor Bloomberg's effort to streamline government real estate holdings, The Peebles Corporation was awarded the property because it is positioned to carry out the EDC's initiative, attribute proper recognition to the historic site, promote economic opportunity to minority owned businesses and create permanent jobs for New York City residents.

Peebles Corporation partnered with Elad in part because of its acclaimed restoration and conversion of The Plaza Hotel and 250 West Street in TriBeCa.

"We believe the combination of Elad's institutional depth and our entrepreneurial creativity form an

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incomparable team that will result in the creation of one of the greatest residential conversions in New York City,” said Don Peebles, chairman and CEO of The Peebles Corporation.

## ●CLARION PARTNERS

### **Storage portfolio fetches \$260M**

Clarion Partners and partner Private Mini Storage, announced the sale of their 30-property, 2.35 million square foot storage portfolio for \$257.9 million.

The assets are located in Houston, TX, Austin, TX and Charlotte, NC. A subsidiary of CubeSmart and a joint venture partner purchased the assets.



AARON SWERDLIN

Aaron Swerdlin of Newmark Grubb Knight Frank was engaged to advise the partnership in the transaction. With occupancy stabilized and strong interest in the sector from public REITs, the partners believed that a portfolio sale would command favorable pricing.

The current overall occupancy rate is 88% and the portfolio produces a stable cash flow.

“Our initial objective in assembling this portfolio was to acquire high quality assets in desirable growth areas along highly visible traffic corridors and to add value by expanding the assets, modifying unit mixes, improving management and executing some ground-up development.

“We have achieved our objectives, stabilized the assets, and are now taking advantage of solid market fundamentals to sell the portfolio to operators in the sector,” said Jason Glasser at Clarion Partners.

“This truly was one of the most unique portfolio opportunities in the self storage space I’ve ever seen,” said Swerdlin, executive managing director with NGKF Capital Markets.

## ● gaia real estate

### **Gaia buys Corinthian floor**

Gaia Real Estate has paid a reported \$14.6 million for the entire 50th floor of The Corinthian at 330 East 38th Street.

The company plans to turn it the 15,923 s/f space into 15 luxury condominium units in early 2014. The previous owner operated the floor as executive suites.

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“We are happy to continue to create value for our investors through creative deals in prime locations,” said Gaia managing partner Amir Yerushalmi.

“The Corinthian is a well established condominium building which is undergoing a current upgrade of its many amenities.”

Amenities in the building include an indoor, glass swimming pool and spa, gym and yoga studio and private park with jogging track around the 4th floor.

All of the amenities will undergo renovation and modernization by the building in 2014 and that will also include the addition of an adult lounge, Wi-Fi booth and golf simulator.

## ● **mack-cali realty corporation**

### **Mack-Cali partners with Fisher on DC buy**

Mack-Cali Realty Corporation is partnering with Fisher Brothers to acquire a 50 percent interest in a luxury multi-family project, currently under construction at 701 2nd Street, NE in Washington, D.C.

The 377-unit project includes 25,000 s/f of retail space and a 309-space underground parking garage.

Mack-Cali will acquire a 50 percent interest in the project for a purchase price of \$46.5 million.

The venture has 20-year in-place debt of \$100.7 million with attractive terms. It is expected that the project will be completed by mid-2015, with leasing beginning in the first quarter of 2015.

The Mack-Cali/Fisher Brothers joint venture includes specific provisions, including a “right of first offer” on all development deals in the D.C. metro area that involve either party.

The venture will also form a property and asset management platform responsible for the branding, marketing, leasing, and management of the property and the joint venture’s future assets.

The platform, which is wholly owned by the venture, will engage the services of Mack-Cali’s Roseland subsidiary to run the day-to-day operations of the assets, including the leasing and management of 701 2nd Street.

## ● **cbre**

### **Campus sale a big deal**

CBRE Group, Inc. has completed the sale of One Campus Drive, a 377,000 s/f Class-A office building in Parsippany in the Mack-Cali office campus for an undisclosed price.

The sale marks one of the largest office building transactions in the State this year, according to CBRE, who Jeffrey Babikian and Brian Godau represented buyer, GAF.

North America’s largest roofing manufacturer, GAF will be relocating from its current headquarters in Wayne and consolidating operations from multiple individual buildings to the stand-alone headquarters building.

“GAF was looking to consolidate to a more efficient and vibrant environment which promotes an improved workplace for its current and future workforce,” said Babikian. “One Campus Drive offers GAF that and more.”

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One Campus Drive is the cornerstone of a 600-acre business campus located at Routes 10, 202 and I-287.

The facility offers three separate wings that open onto a three-story atrium.

Rockwood Real Estate Advisors represented the seller of the 100 percent fee simple interest in One Campus Drive, a 3-story, 377,000 s/f office building previously occupied by Realogy Holdings Corporation, which was awarded Jersey tax incentives to stay in the state and is relocating to a new Hampshire Companies facility in Madison, NJ.

## ●cw capital ASSET MANAGEMENT

### Miami heating up again

A Miami office building appraised at \$32 million in 2010 has just been sold for \$104 million.

CWCapital Asset Management announced that Related Group — a Miami-based developer — has purchased 444 Brickell Avenue.

The property is comprised of two office buildings, measuring 200,368 and 101,902 s/f, respectively.

CWCapital Asset Management is a subsidiary of CW Financial Services LLC and one of the largest Special Servicers of real estate.

The loan on 444 Brickell was transferred to the firm in 2009, after the borrower defaulted. Occupancy had fallen to 75 percent and another 20 percent of tenancy was expiring by 2012.

In 2010, the property was appraised for \$32.5 million.

Last Monday, Related Group, with its joint-venture partner GTIS Partners, closed on the \$104 million purchase of the four-acre site that includes 444 Brickell Ave. and an office building behind it.

The company has unveiled plans for three tall towers, including residential, hotel, office, and retail space, at the location where Brickell Avenue meets the Miami River.

Related's chief operating officer Matt Allen said it will take years to develop the project, dubbed One Brickell, which will entail "well over \$1 billion" in investment.