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Mary McFadden Building Sheds for \$58M

By Natalie Dolce

NEW YORK CITY- A joint venture of locally based Hidrock Realty and Scarsdale, NY-based Meritage Properties has acquired a 162,000-sf office building, known as the Mary McFadden Building, at 240 W. 35th St., between Seventh and Eighth avenues. According to a source close to the deal, the purchase price was \$58 million. The seller was the Eretz Group, who couldn't be reached by deadline for comment; however the source tells GlobeSt.com that the reason for selling was simply that it was "offered a good price," for the asset.

The source tells GlobeSt.com that the firm chose this building because it is similar to others in its portfolio – 240 W. 35th St. is on a side street in the Herald Square/Penn Station submarket. "Hidrock is extremely invested in the Times Square South neighborhood due to its convenient subway and Long Island Railroad access," the source says. "Hidrock prefers to buy side street buildings because they are a viable options for small-sized and mid-sized businesses that cannot afford hefty avenue rents."

The 17-story building is the fourth purchased by Hidrock Realty in the Herald Square/Penn Station submarket. Hidrock is also the owner and landlords of 65 W. 36th St., 53 W. 36th St. and 35 W. 36th St., all located between Fifth and Sixth avenues. The building is fully occupied, with about 40 tenants. Among its largest tenants are Doubledown Media, which monitors online and print media for financial companies; First Funds, a provider of cash advances to small-sized and mid-sized business; and A Better Chance, a preeminent resource for identifying, recruiting and developing leaders among young people of color in the US.

Property management and leasing services at 240 West 35th Street will be handled by Hidrock Realty. Steven Klein and Michael Gigliotto of Holliday Fenoglio Fowler LP served as the brokers on the financing. HSN Nordbank is the lender.

"All three of our neighborhood buildings were neglected structures, and we launched capital improvement campaigns to transform them into upper-tier office space. They now boast high occupancy rates and an extremely satisfied client base," notes Abraham Hiday, president of Hidrock, in a prepared statement. "We look forward to transforming 240 W.35th St. in a similar fashion."

Andrew Nathan, a principal at Meritage, adds that it is the company's first Manhattan acquisition in partnership with Hidrock. "Our firms share a 'tenants-first' mentality and commitment to excellence that will make 240 W. 35th St. the building of choice for small and mid-sized tenants in the Penn Station market," he says in a prepared statement.