

## Alchemy, Clarion pay \$99M for 25-story Midtown office building's leasehold

Meadow re-tenanted most of 220K sf property at 211 E. 43rd over two years

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From left: 209-211 East 43rd Street, Alchemy's Ken Horn, ABR's Brian Ray, Meadow's Jeffrey Kaplan and Savills Studley's Woody Heller

Alchemy Properties and ABR Partners, in partnership with Clarion Partners, acquired the leasehold of a 25-story Midtown East office building for \$99 million, after Meadow Partners spent the past two years replacing many of the old tenants with new ones, *The Real Deal* has learned.

Meadow Partners paid \$61 million in 2013 for the leasehold at the 220,000-square-foot property at 209-211 East 43rd Street, located between Second and Third avenues. At the time, the building had 125 office tenants and was 90 percent occupied.

The investment firm then proceeded with a roughly \$7 million renovation and vacated the majority of the building. About 60 tenants left, and 20 new tenants have since signed leases. The building is now 65 percent occupied. The largest tenant is language school Rennert International.

As part of the re-tenanting, Meadow also raised rents — from the low \$30s per square foot to north of \$50 per square foot, on average, according to sources.

The estate of Sol Goldman will continue to own the underlying land.

The deal marks the first purchase from a new joint venture between Alchemy and Brian Ray's ABR, called Alchemy-ABR Investment Partners, which launched in May to focus on value-add purchases of office, retail and multifamily buildings in the city.

Both Alchemy and ABR specialize in ground-up development. Alchemy, led by Ken Horn and Joel Breitkopf, is best known for its condo conversion of the Woolworth Building's upper floors — and will continue to develop buildings. ABR, however, will largely operate as part of this joint venture.

"This joint venture had been in talks for years," Ray told *TRD*. "We wanted to combine our skills, deal flow and relationships."

The buyers plan to upgrade the façade and the lobby, and sign more tenants, Ray said.

Savills Studley's Woody Heller and Hodges Ward Elliott's Will Silverman, formerly of Savills Studley, brokered the deal.

Newmark Grubb Knight Frank was handling leasing there under Meadow Partners, but Avison Young will now be the sole leasing agent.

In April, Meadow and Slate Property Group paid a record \$500 per square foot for a Downtown Brooklyn development site.