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Alchemy-ABR and Cain JV to develop \$330m project on West 57th St.

By **Editors**
Impressions: N/A

Manhattan, NY A partnership between Alchemy-ABR Investment Partners and Cain International has completed the acquisition of 125 West 57th St. in Midtown in a transaction with Calvary Baptist Church. The partnership will develop a 26-story, 420-ft.-tall building totaling 260,000 s/f, which will include ground floor retail and a tower delivering 185,000 s/f of class A office space, the majority of which will have Central Park views. Upon completion, Calvary Baptist Church will separately own and occupy the base portion of the building.

Designed by FX Collaborative, 125 West 57th St. is expected to open in late 2024. The building will offer tenants modern features, technology, and efficiently sized floorplates that are rarely available in the existing office product in the Plaza District, including:

- Floorplates averaging 10,000 s/f
- 14'6" slab to slab ceiling heights with floor-to-ceiling glass
- Over 90% of the office space offer direct north facing Central Park views
- Private terraces overlooking Central Park and the Plaza District on select floors
- Ability to create private elevator access to each floor
- Modern building infrastructure, HVAC, environmental and security systems designed to exceed today's standards
- Dedicated full floor of amenity space with hospitality designed lounge and meeting spaces, board room, and over 4,000 square feet of outdoor common spaces.

"Cain and Alchemy-ABR are proud to announce the closing of this intricate deal that draws on our collective expertise of creating symbiotic relationships to provide a much-needed supply of high-quality new office space to the Plaza District that has not been available in recent years," said Kenneth Horn, co-founder and partner of Alchemy-ABR Investment Partners, and Brian Ray, co-founder and managing partner of Alchemy-ABR Investment Partners in a joint statement. "We remain encouraged by the support received thus far by the community and the Church members and we look forward to constructing an innovative, world-class asset that will remain a staple amongst the community for years to come with our partners."

"We are optimistic about the strong demand for best-in-class office projects in major markets including New York City, and remain firmly rooted in our belief that the return to the office is a crucial part of the post-pandemic economy," said Eric Poretsky, senior managing director and head of U.S. equity at Cain International. "Cain is delighted to be partnering with Alchemy-ABR on this investment and we have benefitted from the firm's collaborative approach and market experience

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as we navigated challenges presented by the pandemic together. As one of the few truly boutique office buildings to come to market in the Plaza District, we are confident in our investment and look forward to delivering this exciting project alongside our partners.”

Upon completion, the building will be one of the few centrally located class A boutique office buildings to come to market in the Plaza District with Central Park views and will offer a premium experience for tenants in close proximity to recently developed luxury residential and hospitality product in the market.

Calvary Baptist Church formerly operated both its ministry and the Hotel Salisbury on the site and will continue to own and occupy their current facility in the base of the mixed-use development which will be redesigned complete with a separate entrance and interior spaces. Upon completion, the Church will move into its modernized facility on the site, which will double the amount of space for its congregation and create new and enhanced spaces for worship, education programs, community outreach and other ministries. It will have a welcoming street presence, modern, fully accessible auditorium for large worship gatherings, flexible education space for programs, a gymnasium also serving as a Fellowship Hall for church and community functions and a 99-seat studio/chapel for church meetings which was also designed with the local arts community in mind. The congregants of the Church overwhelmingly approved the project allowing it to remain on the property it has occupied since 1883.

“Calvary Baptist Church is excited to see this project moving forward as the next chapter in our continued Christian ministry on 57th St. The development of this much-anticipated new facility will provide a larger, flexible, and welcoming space for the congregation, the city, and beyond,” said Todd Williams, chair of the Board of Deacons, Calvary Baptist Church.

The acquisition of 125 West 57th St. adds to Cain’s portfolio of investments in luxury residential, hospitality and commercial properties across the U.S and will be the firm’s first office-led development in the city. The privately held investment firm led by Jonathan Goldstein is also developing a 55-story, 680,000 s/f, class A office building in the center of Miami’s Brickell district. Cain’s current activity in New York City includes the financing of the Aman Hotel & Residences New York in the historic Crown Building and more recently the appointment on the strategic repositioning of The Hudson Hotel.

The project will add to Alchemy-ABR Investment Partners growing portfolio of real estate investments. Alchemy-ABR Investment Partners, a partnership between Alchemy Properties and ABR Partners, is a highly experienced real estate developer and operator in the city. The firm primarily targets unique cash-flowing, value-add and development opportunities in the office, multi-family and retail sectors. In addition to an acute understanding and identification of a neglected market segment, Alchemy-ABR brings a unique blend of skill sets and experience to its projects having been involved in more than 40 developments ranging from high-end luxury condominiums to premier office buildings.

Cain will be providing the majority of the equity for the \$330 million project and will be working closely with Alchemy-ABR Investment Partners who will oversee the project development.

Ackman Ziff arranged for the equity placement while JLL advised the partnership on mortgage financing. JLL is also handling the leasing assignment for the project.

Schwartz Sladkus Reich Greenberg Atlas LLP, Gibson, Dunn & Crutcher LLP, and Duval & Stachenfeld LLP advised as counsel to the partnership; Fried, Frank, Harris, Shriver & Jacobson LLP represented CBC. CBC was also assisted by VVA Project and Cost Managers.

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