

# Upper East Side Condo Conversion Sells In Bankruptcy Auction

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New York

## Upper East Side condo conversion fetches \$51M at auction

The stalled 14-unit project had a projected sellout of \$105M



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By

TRD Staff

**UPDATED, Sept. 23, 3:30 p.m.:** A Upper East Side condo conversion just sold at auction, a possible sign of distress in New York City's real estate market.

Jason Carter of Carter Management Corp. paid \$51 million for the 65,000-square-foot, 14-unit project at 305 East 61st Street, according to Commercial Observer. Developer Mitchell Marks' conversion of the former art facility had a projected sellout of \$105 million.

SKW provided \$30 million in financing on the deal.

Greg Corbin of Rosewood Realty Group and Richard Maltz of Maltz Auctions brokered the deal.

Marks and his partners bought the property for \$40 million in 2016 in an all-cash transaction. The building's 14,800 square feet of commercial space was set to be leased to AIRE Ancient Baths.

But the development quickly ran into trouble after the partners filed lawsuits against each other and the project could no longer meet its debt service payments, according to CO. The project is still under construction but is nearly complete.

The project represents one of the growing signs of distress in Manhattan's commercial real estate market as lenders seek to file foreclosure suits or projects head into bankruptcy.

This month, four loans tied to HFZ Capital's New York condominium projects are being marketed through a foreclosure sale. The loans are tied to four of HFZ's luxury condo properties in Manhattan: 88-90 Lexington Avenue, The Astor at 235 West 75th Street, and Fifty Third and Eighth at 301 West 53rd Street. [CO] — *Keith Larsen*

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