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Weizhen Chen pays \$23.1M for bankrupt mixed-use in Flushing

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Weizhen Chen, a Flushing-based real estate operator, through the entity Flushing Center Crossing LLC paid \$23.1 million for the bankrupt, mixed-use building (K2) at 33-37 Farrington Street in Flushing, Queens. The property has an alternate address 34-20 Linden Place. The prior owners before the bankruptcy included Yong Chun Guo, Henry Lam, and Rita Lam through the entity Linden Center LLC.

The deal closed on February 29, 2024 and was recorded on March 22, 2024. The property has 67,197 square feet of built space according to a PincusCo analysis of city data. The sale price per built square foot is \$343 per the PincusCo analysis. (The price per square foot analysis is the transaction price divided by square feet as reported in public records and assumes no air rights have been sold.)

Weizhen Chen financed the purchase with a \$16 million loan from New Era Life Insurance Company. The prior owners bought the property on November 21, 2017, for \$20.5 million. The signatory for the seller was **Howard Konicov** (<https://www.cfgi.com/team-member/howard-konicov/>), with the restructuring firm CFGI. The signatory for Weizhen Chen was Wei Zhen Chen. The contract date was November 28, 2023. Bankruptcy and foreclosure specialist Greg Corbin from Northgate Real Estate Group brokered the sale.

This sale was through the bankruptcy case in the Eastern District of New York, 1-23-41820.

PincusCo reported on the **bankruptcy filing** (<https://www.pincusco.com/28m-bankruptcy-to-block-receiver-at-flushing-commercial-building/>) valued at \$28 million as its lender Sioni Capital sought the appointment of a receiver to manage the property that was in pre-foreclosure. The petition stated the owners were seeking to sell the building through a marketing process.

The 67,197-square-foot property is subject to a mortgage that is in default with a total due of \$16 million. The owners including Yong Chun Guo, Henry Lam and Rita Lam, bought the property in 2017 for \$20.5 million from a bankruptcy estate, and borrowed \$12.975 million from Dime Community Bank at the time. Dime sold the note in April 2022 to Sioni Group, which filed a pre-foreclosure action in February 2023.

The petition was filed by restructuring lead Howard Konicov, who is a managing director of the restructuring group within CFGI, which is a partnership of Carlyle Group and CVC Capital Partners. Weizhen Chen also signs as Wei Zhen Chen.

Prior sales and revenue

Prior to this transaction, PincusCo has no record that the buyer Weizhen Chen had purchased any other properties and has no record it sold any properties over the past 24 months.

The seller Yong Chun Guo had not purchased any other properties and had not sold any properties over the same time period. The 67,197-square-foot property generated revenue of \$1.1 million or \$16 per square foot, according to the most recent income and expense figures.

The property

The mixed-use building in Flushing has 67,197 square feet of built space according to a PincusCo analysis of city data. The parcel has frontage of 98 feet and is 250 feet deep with a total lot size of 29,322 square feet. The lot is irregular. The zoning is M1-1 which allows for up to 1 times floor area ratio (FAR) for manufacturing. The city-designated market value for the property in 2022 is \$9.6 million. The most recent loan totaled 0.0 and was provided by Sioni Group on April 20, 2022.

Violations and lawsuits

The property was involved in one lawsuit and one bankruptcy over the past two years. The suit was a \$16.1 million commercial foreclosure concerning a loan filed on February 6, 2023, by Sioni Capital against Ching Lam and Choy Lam. The bankruptcy was filed on May 23, 2023, by Yong Chun Guo, Ching Lam, Henry Lam, Choy Ling Lam, and Rita Lam citing assets of \$28 million. In addition, according to city public data, the property has received six DOB violations and \$1,000 in OATH penalties in the last year.

Development

There are no active new building construction projects or major alteration projects with initial costs more than \$1 million on this tax lot.

The neighborhood

In Flushing, The bulk, or 45 percent of the 37.7 million square feet of commercial built space are elevator buildings, with specialty buildings next occupying 20 percent of the space. In sales, Flushing has 3.3 times the average sales volume among other neighborhoods with \$950.1 million in sales volume in the last two years and is the 2nd highest in Queens. For development, Flushing has 2.3 times the average amount of major developments relative to other neighborhoods and is the 4th highest in Queens. It had 2.2 million square feet of commercial and multi-family construction under development in the last two years, which represents 6 percent of the neighborhood's built space. There was one pre-foreclosure suit filed among other mixed-use buildings in the past 12 months.

The block

On this tax block, PincusCo has identified the owners of seven of the 29 commercial properties representing 130,275 square feet of the 243,405 square feet. The largest owner is Yi Hua Chen, followed by Raman Kumar Aggarwal and then Joseph Vitulli Jr..

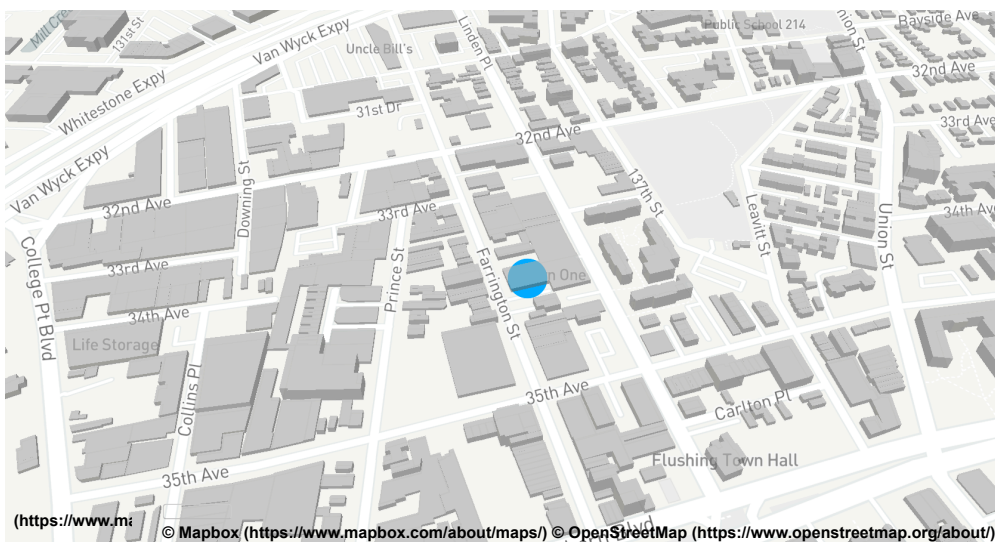
On the tax block, there were two new building construction projects totaling 75,509 square feet. The largest is a 98-unit, 72,446 square-foot residential (R-2) building submitted by Century Development Group and filed by George Xu with plans filed January 4, 2023 and it has not been permitted yet. The second largest is a 3,063 square-foot utility and miscellaneous (U) building submitted by Kyong Park with plans filed January 13, 2017 and it has not been permitted yet.

The majority, or 58 percent of the 243,405 square feet of built space are mixed-use buildings, with industrial buildings next occupying 31 percent of the space.

The seller

The PincusCo database currently indicates that Henry Lam owned at least one commercial property with six residential units in New York City with 3,750 square feet and a city-determined market value of \$909,000. (Market value is typically about 50% of actual value.) The portfolio consists of at least a single walkup property. It is located in Brooklyn.

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