

Knickerbocker site deal closes at \$180.5M

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By [Lauren Elkies](#)

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The former Knickerbocker Hotel

(Updated 2:40 p.m., June 18) Ashkenazy Acquisition, Crown Acquisitions and Highgate Holdings have closed on their purchase of the former [Knickerbocker Hotel](#) and an adjacent 10,000-square-foot lot on West 42nd Street, according to a source close to the deal.

The sale price: \$180.5 million.

The deal was sealed today, two days after it was supposed to close for \$173 million, as *The Real Deal* first reported Friday evening. It wasn't immediately clear why the price had changed or why the closing had been delayed.

A Crown spokesperson said the building would become a hotel, but not a chain. "We are going to turn it into a beautiful hotel," he said, noting that Highgate, a hotel operator, would be spearheading the project.

According to a press release from Highgate, "the new owners will undertake a comprehensive mixed-use redevelopment initiative. As part of the makeover, the partners will convert the building to an upscale boutique hotel, with high-end retail in its base. In addition, the ownership team will develop the adjoining lot into a new luxury retail complex."

The buyers are also interested in capitalizing on the 42nd Street side of the landmark building for advertising, the source said.

[Istithmar World](#) paid \$376 million for the 300,000-square-foot 10-story Beaux-Arts-style building at 1466 Broadway, or 6 Times Square, in 2006.

Istithmar, which is the private equity owner of Dubai government's investment arm, lost control of the [Midtown property](#) in March to lender Danske Bank after defaulting on its \$300 million mortgage. Istithmar, the former owner of the W New York Union Square hotel, filed suit earlier this year to challenge a series of bankruptcy filings from Philadelphia-based LEM Mezzanine.

Prudential Douglas Elliman's Raphael De Niro, his colleague Adam Paskow, along with Christopher Okada, president of corporate real estate advisory group Okada & Company, negotiated the deal on behalf of Ashkenazy. De Niro and Okada declined to comment.

Paskow, Ashkenazy and Danske did not return calls for comment.

Additional reporting provided by Amy Tennery

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