

Knickerbocker Hotel building divided into commercial condos

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By [Adam Pincus](#)

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From left: Stanley Chera, founder of Crown Acquisitions, Ben Ashkenazy, chairman and CEO of Ashkenazy Acquisition, Neil Bluhm, a co-founder of Walton Street, and the Knickerbocker Hotel building

A joint venture that includes Crown Acquisitions and Ashkenazy Acquisition has segmented the landmarked, 282,000-square-foot Knickerbocker Hotel building near Times Square into three commercial condominiums.

The ownership split the 15-story Beaux-Arts structure at 1466 Broadway on the corner of 42nd Street, into one hotel condo and two retail condos, city property records filed Monday show. The state Attorney General's office, which regulates condominiums, approved the conversion plan Nov. 10, the papers show.

Chicago-based investor Walton Street Capital partnered with Texas-based hotel owner Highgate Holdings, and Midtown-based Crown and Ashkenazy to [purchase the building](#) for \$180.5 million in July 2010.

Neil Bluhm, a co-founder of Walton Street, was ranked this year by Forbes as number 212 among the 400 wealthiest Americans with a \$2 billion fortune. Stanley Chera is the founder of Crown Acquisitions and Ben Ashkenazy is the chairman and CEO of Ashkenazy Acquisition.

A source familiar with the project said there were no plans to sell the condos.

Nat Rockett, an executive vice president at Cushman & Wakefield, who was not involved in the conversion to a condominium, said owners often create condominiums to separate portions of the real estate that are worth more than others.

A condominium is a "ready mechanism to recognize the different values of the components," he said. He also said that it could be a way for each owner to focus on its specialty, for example Highgate as a hotel operator, and Crown as a retail expert.

A spokesperson for Crown declined to comment. Calls to Walton Street, Highgate and Ashkenazy were not immediately returned.

Retail condos have grown in prominence in recent years. Crown was a minority partner with Carlyle Group and Kushner Companies in the [\\$324 million sale to Inditex](#) of a retail condo at 666 Fifth Avenue carved out of a larger retail condo in the building. And more recently, retail-focused investor Jeff Sutton and his partner SL Green Realty, announced [a deal in October](#) to sell two retail condos at 141 Fifth Avenue for \$46 million.

The Knickerbocker Hotel, financed by John Jacob Astor, was constructed in 1902 and designated a landmark in 1988. The city's Department of Buildings approved the group's plans in July to convert the upper floors of the building to a hotel, a project which has a \$20 million estimated price tag, DOB records show.

The larger retail condo at the Knickerbocker, known as Retail Unit A, is currently occupied by clothing retailer the Gap which sources said recently renewed its lease, but further details were not available. The unit is approximately 33,300 square feet, with space on the ground floor, second floor, and two lower levels, the city records show. This retail unit also comes with all the building's development and upzoning rights, the property filing says.

The second retail condo, known as Retail Unit B, is composed of approximately 12,300 square feet, with space on the ground floor, mezzanine and one lower level. A call to the Gap was not immediately returned.

Unit B is vacant with an asking rent of \$600 per square foot on the ground floor, Bradley Mendelson, executive vice president at Cushman & Wakefield, who is marketing the retail space, said.

The hotel portion, composed of 237,226 square feet, has space on the ground floor, mezzanine, two lower levels, and floors three through 16. (Because there is no floor 13, the top floor of the 15-story building is the 16th floor.)

Peter Poon Architects is the architect on the reconfiguration of the Knickerbocker, as well as on another project partly owned by the three investors next door at 136 West 42nd Street. There, Poon is designing a [36-story hotel](#).

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