



LOIS WEISS

REAL ESTATE

BETWEEN THE BRICKS

Investors shell out \$115M for Hermès building on Madison Ave.

By [Lois Weiss](#)

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693 Madison Ave.

Photo: Google Maps

The exquisite Madison Avenue building rented by Hermès has a new owner.

Ben Ashkenazy and Michael Alpert's [Ashkenazy Acquisitions](#) has just paid \$115.17 million for the four-story building at Madison Avenue on the northwest corner of 62nd Street from an offshore entity of the Brooks family, documents show.

With 8,000 square feet, the transfer comes to just shy of \$14,000 per square foot.

Hermès leased the property at the end of 2007 and has nine years remaining, sources said. It brings in about \$4 million per year, which is well under current market asking and taking rents. A \$72 million mortgage is held by Bank of China.

The former Luca Luca location was sold by Luca Orlandi in 2008 for \$50 million and was entirely redeveloped for Hermès.

The Ashkenazy execs did not return calls for comment but sources said that they, like other local investors, have been on a buying spree geared toward offices, hotels and retail properties in prime locations across the country. In the last year Ashkenazy has purchased the Marriott East Side, the retail at 522 Fifth Ave., and the original Barneys building on West 17th Street and Seventh Avenue. They also own the Barneys store at 660 Madison Ave.

Coming out swinging, Robert Freedman, co-chairman, tri-state, of Colliers International, said at a press briefing yesterday there is a lot of space languishing in the East 60s on Madison because of "oligarchic pricing." "The[se owners] dominate the block and have high costs to carry and are profoundly arrogant," said Freedman, who mentioned Joe Sitt's Thor Equities and Friedland Properties as two of the culprits.

Retailers are pushing back, Freedman added, leaving many properties unrented while the owners wait to get their targeted dollars. But in some cases, their investment partners are demanding some income, so in certain areas of the city, spaces are being slowly absorbed, albeit at non-record rents.

"That's silly," said Friedland principal William Friedland. "If asking rents are too high, the owners are the ones that take the hit more than anybody."

Sitt didn't return requests for comment by press time.

The Crown Building can cross off one of its tenants.

The offices of Vera Bradley, famous for paisley handbags sported by fabulous women, will