

Upper East Side Rental Package in Play

An investment firm has set a \$100 million asking price for an apartment portfolio on Manhattan's Upper East Side.

The 12-building package encompasses 261 apartments and two retail units totaling 150,000 square feet. The apartments are 80% occupied, giving a buyer an opportunity to quickly boost income by leasing vacant units. The retail occupancy couldn't be learned.

The initial annual yield at the asking price of \$383,000/unit would be 3.4%, based on in-place net operating income of \$3.4 million. Marketing materials project a buyer could boost that to \$5.8 million in a few years, which would translate to a stabilized yield of roughly 5.75%.

Avison Young is marketing the portfolio for **Capmar Realty** of New York, which has owned the buildings for more than 65 years. Bids on individual properties won't be accepted.

The portfolio encompasses 102 studio apartments, 131 one-bedroom units, 25 two-bedroom apartments and three with three bedrooms. Overall, 172 apartments charge market rents, 71 are rent-stabilized and 18 are rent-controlled.

In addition to filling vacant units, a buyer could push rents via renovations and by reconfiguring some larger units to add bedrooms.

The properties are at 418, 422 and 423 East 77th Street; 305, 327, 425, 441 and 442 East 75th Street; 439 East 74th Street; 309 East 91st Street; and 1409 and 1411 York Avenue.

All but the 91st Street building are within a few blocks of each other in the Lenox Hill neighborhood, which would give a buyer “management efficiency,” according to marketing materials. ❖