



144 E 40TH STREET

MIDTOWN HOTEL PROPERTY WITH SUBSTANTIAL
DEVELOPMENT RIGHTS

ASKING PRICE: \$24,200,000



144 EAST 40TH STREET,
NEW YORK, NY 10016

48.00FT X 98.75FT

Lot Size

± 68,256 SF

Max ZFA

C5-2.5

Zoning

\$850,000

Annual Rent

■ INVESTMENT HIGHLIGHTS

Covered Development Site

The asset is currently master leased with in place income, giving a potential developer far more options and flexibility and therefore less risk. The current income is \$850,000

Excellent Location

Murray Hill is one of Manhattan's most established neighborhoods, with strong demand for residential space due to its amenities, proximity to job centers and strong transit connections. There has been significant successful condominium development in the area which can make a future developer confident of success.

Development Opportunity

The asset allows for significant development in an area with high demand for space, in particular residential condos which command strong pricing power in the area due to its central location and access to amenities nearby, as well as proximity to the heart of Midtown where most corporations are located.





CONCEPTUAL MASSING



images are conceptual only, not a depiction of actual development rights.

TRANSPORTATION

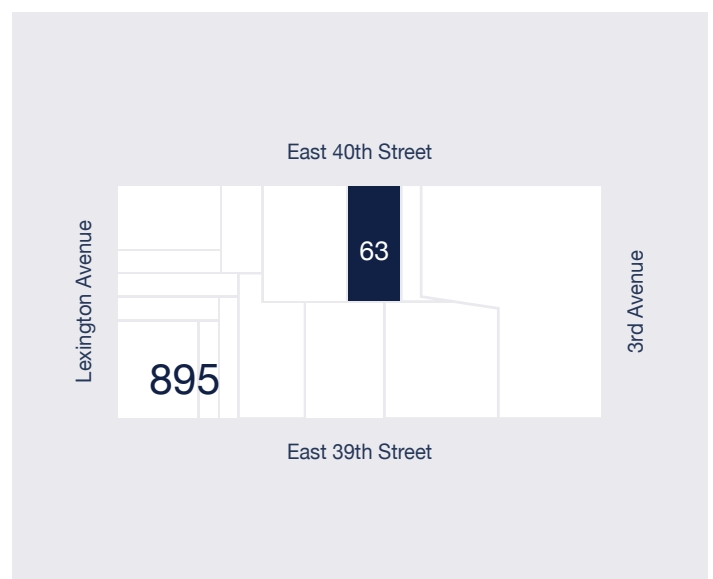


LOCATION OVERVIEW

Ideally located along Manhattan's East Side between 34th and 42nd Streets, Murray Hill is one of NYC's quintessential neighborhoods. The area is known as a dining and nightlife destination, but also features quiet side streets full of charming brownstones.

Its location is one of the city's best, with the East River bordering it on the east, and numerous attractions nearby such as Grand Central, the Empire State Building, One Vanderbilt and countless others.

It is also well served by transit, particularly the 4 5 6 7 and S lines running across it, and the NYC Ferry dock on 34th Street, which gives the area easy access to Brooklyn, Queens and Lower Manhattan. Furthermore it has nearby access to the Metro-North and LIRR commuter trains plus multiple bus lines.



INVESTMENT SALES

PETER CARILLO

Principal, Senior Managing Director
212-254-1600 x118
pcarillo@hks.com

ANTONIO LULLI

Associate Director
212-254-1600 x112
alulli@hks.com

HARRY SCHOENBERG

Analyst
212-254-1600 x113
hschoenberg@hks.com

EQUITY & FINANCING

AYUSH KAPAHI

Principal and Founding Partner
212-254-1600 x105
akapahi@hks.com

PRINCIPAL REGISTRATION AND CONFIDENTIALITY AGREEMENT

THIS REGISTRATION AND CONFIDENTIALITY AGREEMENT (this “Agreement”) made effective as of the _____ day of March, 2023 (the “Effective Date”), by and between HKS REAL ESTATE ADVISORS, LLC. (“HKS”), as agent for the owner of the Property (“Seller”), and _____, having an address at is _____ (“Principal”), regarding the preservation of the confidential and/or proprietary nature of information to be disclosed to Principal by HKS, relating to the real property known as 144 East 40th Street, New York, NY 10016 (the “Property”).

NOW, THEREFORE, for good and valuable consideration, the parties hereto, for themselves, and or for any persons, entities, joint ventures, trusts, or any other nominees directly or indirectly controlling, controlled by or under common control of such party (individually and collectively, and including Principal, the “Principal”), agree as follows:

1. Registration and Compensation. Principal hereby registers its interest in the potential purchase of the Property and acknowledges receipt of the materials included in the offering package delivered herewith (the “Offering Package”).

Principal agrees to defend, indemnify, and hold harmless Seller and HKS from and against any and all claims, demands, or causes of action, cost or expense, including reasonable attorneys’ fees and disbursements, pertaining to any commission, compensation, or fee sought by any broker or other party from Seller and/or HKS in connection with the purchase of the Real Property by Principal.

2. Scope. For purposes of this Agreement, “Proprietary Information” shall mean any and all information disclosed to Principal relating to the Property, the documents and information included in the Offering Package o, or any other oral, written, graphical, and electronic information disclosed to the Principal by HKS).

3. Use. Principal shall use the Proprietary Information only for the purpose of analyzing whether to deliver an offer to purchase the Property in accordance with the Offering Package. Principal agrees that it shall not disclose the Proprietary Information to any party whatsoever except, subject to the terms and conditions of this Agreement, to (a) its employees, officers, and directors (b) third-parties being utilized to perform investigations or analyze information, so as to advise the Principal with respect to submitting an offer on the Property; or (c) third-parties under consideration to provide financing for purchase of the Property.

4. Reproduction. Proprietary Information is not to be reproduced in any form, other than explicitly provided for in this Agreement.

5. Duty of Care. All Proprietary Information shall be retained by Principal in a secure place with access limited to only such of Principal’s employees or consultants who need to know such information for purposes of determining whether Principal shall elect to deliver an offer in accordance with the Offering Package.

6. Term. This agreement shall terminate on the date which is one (1) year from the Effective Date. All of the obligations undertaken by each party hereto shall survive and continue after any expiration or other termination of this Agreement.

7. Ownership. All Proprietary Information (a) remains the Property of Seller, and (b) may be used by the Principal only for the purpose intended. Upon the expiration or other termination of this Agreement, all recorded, graphical, or other tangible Proprietary Information shall be returned to Seller.

8. Right to Enjoin Disclosure. The parties acknowledge that Principal's unauthorized disclosure or use of Proprietary Information may result in irreparable harm to Seller. Therefore, the parties agree that, in the event of violation or threatened violation of this Agreement, and without limiting any other rights and remedies of Seller, a temporary restraining order and/or injunction to enjoin disclosure of Proprietary Information may be sought against a Principal who has breached or threatened to breach this Agreement and said Principal shall not raise the defense of adequate remedy at law.

9. No Warranty. Principal must not base their offers upon information disseminated in the Offering Package or otherwise made available to Principal by or on behalf of Seller, including but not limited to, environmental studies, reports, repair estimates, or other studies, proforma and financial information that may be provided by the Seller or HKS, but shall rely solely on their own estimates and studies. No warranty or representation, express or implied, is made by either Seller or HKS or their representatives, as to the accuracy or completeness of any or all such information.

10. Miscellaneous.

- a) The provisions of this Agreement are to be considered as severable, and in the event that any provision is held to be invalid or unenforceable, the parties intend that the remaining provisions will remain in full force and effect.
- b) Captions in this Agreement are for ease of reference only and should not be considered in the construction of this Agreement.
- c) This Agreement shall be governed by the laws of the State of New York. Any claim arising out of or related to this agreement shall be submitted to binding arbitration conducted by the American Arbitration Association, New York County, pursuant to their rules related to real estate disputes. The parties agree to submit the dispute to three (3) arbitrators chosen pursuant to AAA Rules.
- d) For purposes of this Agreement, the purchase and/or sale of the Property shall mean any transaction, including, but not limited to a lease, transfer of leasehold title, net lease of the Property, transfer of ownership in the entity holding title to the Property, mortgage or other debt financing or equity financing, or sale of promissory note, or any other transfer of ownership or control of the Property, part or in whole.

IN WITNESS THEREOF, the parties have executed this Agreement as of the Effective Date stated above.

PRINCIPAL

By: _____
Name:
Title:
Company Name:
Email Address:

HKS REAL ESTATE ADVISORS, LLC

By: _____
Name:
Title:

OUTSIDE BROKER CONFIDENTIALITY & COMMISSION AGREEMENT

_____, 2023

HKS Real Estate Advisors
126 5th Avenue, 15th Floor
New York, NY 10011

RE: Proposed Sale of the real property (“Proposed Sale”) commonly known as 144 East 40th Street, New York, NY 10016 (“Property”) by owner (“Owner”) acting through HKS Real Estate Advisors (“HKS”), as agent, to _____⁽¹⁾ as purchaser (“Purchaser”).

Gentlemen:

This letter will confirm our agreement concerning services to be rendered by _____⁽²⁾ (hereinafter referred to as “Broker”) in connection with the Proposed Sale.

1. Broker represents that it has been authorized to negotiate the above-referenced Proposed Sale on Purchaser’s behalf and has submitted herewith a Principal Registration and Confidentiality Agreement, fully executed by Purchaser and attached hereto and incorporated by reference as part of this Agreement.
2. Broker acknowledges and agrees that all information which Broker shall receive in connection with the Property and the Proposed Sale shall be confidential and Broker shall not disclose such information to any party without Owner’s prior written consent. All plans, specifications, data, information and the like concerning the Property delivered to Broker or Purchaser, shall remain the property of the Owner and shall be returned to Owner promptly upon request.
3. Broker acknowledges and agrees that the Owner shall have the unrestricted right, in its sole discretion, to reject, for any reason whatsoever, any and all offers submitted on behalf of the Purchaser and, at any time, to discontinue, for any reason whatsoever, or cause Broker to discontinue negotiations with the Purchaser and to refuse, for any reason whatsoever, to enter into a Proposed Sale with the Seller, all without, incurring any liability or obligation to Broker for a commission or other compensation in connection therewith.
4. Broker acknowledges that Owner has not agreed to reserve the Property for the Purchaser and Broker agrees that Owner shall be free to negotiate with other Purchasers for the Sale of the Property and to deal with other brokers, Purchasers and persons for this purpose.

⁽¹⁾ Insert name of purchasing entity and principal

⁽²⁾ Insert name of brokerage and broker

5. Any offers and inquiries in connection with Proposed Sale shall be forwarded to HKS at their address hereinabove set forth, for HKS's review and submission to the Owner.
6. Broker and Purchaser have been advised that HKS is acting on behalf of Owner as exclusive brokers in connection with the Offering. Therefore, Purchaser shall be responsible for all brokerage commissions, finder's fees and other compensation to which, the Broker, any other broker, finder or other person may be entitled in connection with the Offering concerning the Property if such claims for commissions, fees or other compensation are based in whole or in part on dealings with Purchaser or any of its representatives (except HKS's compensation which is payable by Owner); and Purchaser and Broker agree to indemnify and hold harmless HKS and Owner, their respective affiliates, successors and assigns, employees, partners and directors against and from any loss, liability or expense, including reasonable attorney's fees, arising out of any claim or claims, by, the Broker, any broker, finder or similar agent for commissions, fees to other compensation for bringing about any accepted Offer concerning the Property to Purchaser if such claim or claims are based in whole or in part on dealings with Purchaser and Broker or any of its representatives.
7. Broker agrees that it will not advertise the Proposed Sale transaction, nor place any notice thereof in any newspaper, website, social media site or other publication without first obtaining the prior written approval of the Owner and HKS.
8. Broker represents and warrants that Broker is duly licensed as a real estate broker in good standing in the State of New York.
9. Broker represents and warrants that Broker is the sole broker, other than the Owner's agents, HKS, who introduced the Purchaser to the Property and Broker agrees to indemnify and hold the Owner and HKS, their successors and assigns and their respective principals, agents, partners, employees, officers, or directors, harmless from and against any and all liability, loss, cost, damage or expense, including reasonable attorneys' fees, arising directly or indirectly, in whole or in part out of any claim, demand or proceeding for a real estate brokerage commission, finder's fee or other compensation made by any other person involving the Proposed Sale.
10. In the event that any litigation arises as a result of any dispute hereunder between Broker and HKS, each party agrees that the non-prevailing party shall reimburse the prevailing party for its costs and expenses, including without limitation, reasonable attorneys' fees, in connection with such litigation.
11. This Agreement incorporates the entire agreement between the parties and supersedes all prior negotiations and/or understandings between them on such matters.

12. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, applicable to agreements made and to be performed entirely within New York without regard to conflicts of laws principles. All actions or proceedings relating, directly or indirectly, to this Agreement shall be litigated only in the courts located within the State of New York, County of New York. Broker and HKS and their respective successors and assigns, hereby subject themselves to the jurisdiction of any state or federal court located within such county.
13. This Agreement shall be binding on all parties to this Agreement and inure to the benefit of their lawful heirs, successors, designees, and assigns.
14. This Agreement may not be strictly construed against either Broker or HKS, each party agreeing that it has participated fully and equally in the preparation of this Agreement.
15. This Agreement shall not be altered, supplemented, or terminated except in writing signed by each party hereto.
16. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute a fully executed agreement, with the same effect and validity as a single agreement signed by all of the parties. Electronic or facsimile signatures shall have the same validity and effect as original signatures.

Very truly yours,

BROKER

By: _____
 Name:
 Title:

PURCHASER

By: _____
 Name:
 Title:

AGREED TO:

HKS REAL ESTATE ADVISORS, LLC

By: _____
 Name:
 Title: