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Flatiron building is sold for \$92M

Two years after buying 27 W. 24th St. for \$56 million, the Kaufman Organization has sold it for \$92 million.

[Joe Anuta](#)

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The Kaufman Organization has sold its 11-story office building at 27 W. 24th St. in the Flatiron district for \$92.5 million—nearly double what the firm paid for it a little more than two years ago. In this case, the dramatic increase in the building's value was partly the result of \$2.5 million in capital improvements that Kaufman put into the property.

In late 2012 when Kaufman purchased the building, the demand for office space on side streets was nowhere near what it is today. What's more, the building sorely needed a face-lift. Back then, rents hovered in the \$30-per-square foot range.

But after persuading an institutional investor, Lubert-Adler, to back Kaufman's \$55.5 million purchase of the asset, the firm began upgrading the lobby, security system and elevators in anticipation of increased demand for tenants eyeing office space in the 3,000-square-foot range.

"The choices for this type of space were very limited in the Flatiron corridor," said Grant Greenspan, senior vice president at Kaufman who along with Fred Leffel spearheaded a team to tie up the capital renovations and leasing.

Indeed, the firm eventually doubled asking rents, in some cases to \$65 per square foot, before deciding to put the building up for sale in the fall of 2014. Woody Heller and Will Silverman of Savills Studley were marketing the building on behalf of Kaufman.



CoStar Group Inc.

Kaufman Organization has sold 27 W. 24th St. for \$92 million.

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