

Business Services Industry

Italian group purchases 53 units at the Monarch - Trade 45th buys 53 condominiums at 200 East 89th Street in New York, New York

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An Italian investment group has purchased a package of 53 condominiums for \$6.5 million at The Monarch, a 45-story luxury apartment building at 200 East 89th Street.

Trade 45th, a subsidiary of Beni International USA, based in Bologna, Italy, with New York offices at 146 West 57th Street, paid approximately \$200 per square foot for the units.

The building's selling agent, J.I. Sopher, represented by Susan Sills, was the broker for the seller. Guido Pompilj, an Italian real estate broker and financial advisor, and Eve Gittelson of L.B. Kaye International Realty, Inc.

According to Sopher, the units were sold substantially below their "hard and soft" construction costs, which were estimated at about 300 per square foot.

The sponsor of the building was Third 89th Associates, a partnership that included CorEast Bank, of which Arthur Cohen was a principal, and Tony and Kenny LaSala. Sopher was appointed selling agent.

According to Sopher, this is a first for foreign investors.

"We think its the first bulk sale to foreign investors since this whole holocaust started," he said.

The 53 units include studio, one and two-bedroom homes and penthouses, and are fully rented. Sopher will continue to rent the units for their new owner until the market improves.

Mark Zbrovsky, a specialist in the sale of occupied rent-stabilized units, concurred, according to his memory, that this is the first time a foreign group has purchased a large block of "non-stabilized" units. Recently, on West 84th, he said, a developer on whom the bank was foreclosing was offering a block of market-rate apartments and he attracted a number of foreign groups. The developer, however, could not get his required price and the bank ended up taking back the apartments.

Italians Buying

The purchase of the Monarch units is another example of the recent surge in Italian investment in U.S real estate, particularly in New York, report Pompilj and Gittelson.

Property here has recently become a hot item for Italians, says Pompilj, because of: The weak dollar and strong lira, the loosening of currency control regulations in Italy, low interest rates coupled with depressed prices of Manhattan real estate, and concern over Italy's political stability.

According to Pompilj and Gittelson, current estimates put Manhattan acquisitions by Italian investors in the past 12 months over \$100 million. Besides the Monarch, recent purchases by Italians include: The park 51 Hotel by the fabbri family (owners of the Star Hotel chain); the Madison Hotel by the Jolly Group of Milan; and the 54-unit residential building now being restored at 22 West 66th Street.

"Overall, Italians hold that this country is going through a temporary crisis and it will come out of it," he said.

Some Italians do complain, however, Pompilj said, that in New York property taxes are high relative to the amount of services rendered.

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