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PROPERTY

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AUTOMATIC SPRINKLER
SHUTOFF VALVE
LOCATED FEET
OPPOSITE THIS SIGN

 JLL®

Executive Summary

JLL has been retained on an exclusive basis to arrange for the sale of 9 East 38th Street ("The Property"), an incredible 12-story commercial office building located on the north side of East 38th Street between 5th and Madison Avenues in Midtown South. Built in 1924 and completely modernized / renovated between 2017-2021, the 63,659 sf building is situated just east of Fifth Avenue in one of the most desirable commercial districts in Manhattan. The building will be delivered partially vacant, potentially allowing for a user to immediately occupy the space and take advantage of the rights of ownership. Furthermore, given the existing tenancy and stable in-place cash flow, the asset also presents an opportunity for an investor to lease up the remaining vacancy and capitalize on the reviving office market.

Currently, the ground floor and basement space are occupied by Japas NY, a popular karaoke and sushi establishment that has been in business for 13 successful years. Their current lease is not set to expire until October of 2028, providing future ownership with a stable ground floor commercial tenant. Of the remaining 11 floors, 5 are currently leased to established tenants including HSBC and Maxwell-Kates Inc. The average floorplate is approximately 5,200 RSF, accommodating a myriad of boutique office tenants.

The Property is positioned to benefit immensely from the significant capital expenditures that were recently invested by the current ownership group. Totalling over \$9 million, improvements to the building's lobby, restrooms, elevators, mechanical systems, and windows have considerably enhanced the quality of the asset. As a result, potential user buyers will have the advantage of the valuable cost savings associated with the completed work, while investors will be able to achieve top of the market rents for the five vacant floors.

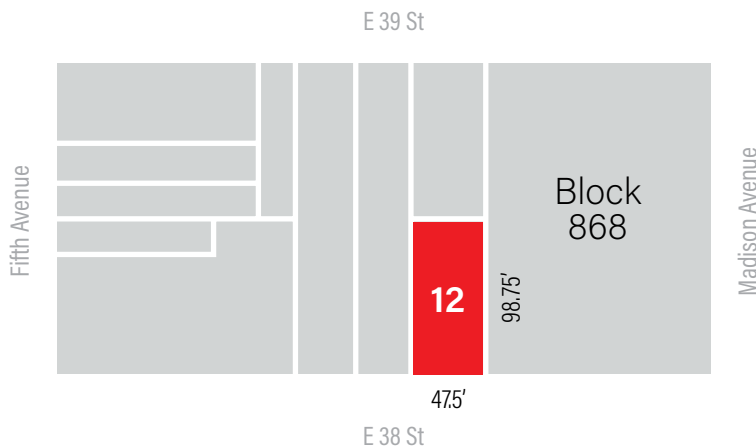
9 East 38th Street presents a truly unique opportunity due to its favorable Midtown East location and proximity to many of New York City's main attractions. The property is only 4 blocks south of Grand Central Station and only a 15 minute walk to Penn Station, allowing incredible ease of access to NYC's 2 largest transportation hubs. In addition, the 4,5,6,7,E,B,D,F,M,N,Q,R, and W subway lines are all within a 10 minute walk or less further enhancing accessibility throughout the rest of Manhattan. Additionally, the property is only a 3 minute walk from famous Bryant Park, the popular greenspace that sees roughly 12 million visitors a year for various concerts, shopping, eating and cultural events.



Building / Property Information

Address	9 East 38th Street, New York, NY 10016	
Location	The subject property is located on the north side of East 38th Street between Fifth and Madison Avenues.	
Block / Lot	868 / 12	
Stories	12	
Year Built	1924	
Rentable SF	63,659 (Incl. Basement)	
Lot Dimensions	47.5' x 98.75'	
Lot Square Footage	4,630	
Zoning	C5-2.5 (Special Midtown District)	
	Commercial	Residential
FAR	12.00	10.00
ZFA	55,560	46,300
Available Air Rights	Overbuilt	Overbuilt
Assessment (22/23)	\$5,128,070	
Full Taxes (22/23)	\$551,524	

Tax Map



PROPERTY HIGHLIGHTS



Substantial Capital Expenditures

Current ownership invested approximately \$11.6m into the asset, completing numerous capital improvements, substantially enhancing the quality of the Property.



User Potential

6 of the 12 floors will be delivered vacant, allowing for a user to immediately occupy the space and benefit from the rights of ownership.



Stable In-Place Cash Flow

The existing office tenants, including HSBC and Maxwell-Kates, generate a consistent stream of income providing a potential investor the flexibility to lease up the remaining vacant floors.



Midtown CBD

The Property is situated in the most high-profile business district in the world, which attracts Fortune 500 companies from numerous industries.



Unparalleled Access Throughout Manhattan

9 East 38th Street has convenient access to several major transportation hubs including Grand Central Station, Penn Station, Bryant Park, and Times Square.

Building Capex

Current Ownership has spent approximately \$9 Million in the following base building improvements:

- ▶ Lobby & Entry
- ▶ HVAC
- ▶ Elevators (all 3 modernized in 2020)
- ▶ Windows
- ▶ Water Tanks
- ▶ Roof
- ▶ Local Law 11
- ▶ Boiler
- ▶ Bathrooms (all new except retail space)
- ▶ Fire Life Safety
- ▶ Fiber

In addition, current ownership spent \$2.6 Million on tenant improvements throughout the building.

**These numbers are based on pre-covid values and may cost ~50% more today*

Building Specifics



Elevators

Equipped with 2 passenger elevators and 1 freight car. Passenger elevators service the lobby to the 12th floor, and the freight car services the basement, lobby, and floors 2-12. Each cab has a capacity of 2,500 lbs.



HVAC

Building HVAC system consists of air controlled package units on each tenant floor from 2-12.



Heating

Heating is provided by a boiler fed system that feeds radiators on the north and south perimeter of the builder. HVAC system also contains heating coils for additional heating.



Electrical

Building houses three Con Edison service switches which provide a total of 3,200 amps @120/208 volts. Service is distributed from buss duct to switchgear room located in the basement.



Life Safety

Building is equipped with a modified Class "E" Fire Alarm system, which monitors all elevator lobbies for smoke conditions, recalls elevators under fire alarm conditions, and provides communication from every floor to the fire command station located in the lobby.



Security

The Security Desk houses the elevator monitoring and communication devices, CCTV, and is manned by personnel Monday-Friday from 8 am to 5 pm.



NYS HOUSING AND ANTI-DISCRIMINATION NOTICE

Federal, State and Local Fair Housing and Anti-discrimination Laws protect individuals from housing discrimination. It is unlawful to discriminate based on certain protected characteristics, which include, but are not limited to: race, creed, color, national origin, sexual orientation, gender identity or expression, military status, sex, age, disability, marital status, lawful source of income or familial status.

THE FOLLOWING ARE SOME EXAMPLES OF POTENTIAL FAIR HOUSING VIOLATIONS:

- Refusing to rent, sell or show a property based on a potential tenant or purchaser's protected characteristic.
- Quoting a higher price to a purchaser or renter because of the potential purchaser or tenant's protected characteristic.
- Refusing to rent to a tenant who has children or increasing a security deposit based on the number of children who will be living in the apartment.
- Steering prospective tenants or purchasers to certain neighborhoods based on any protected characteristics.
- Refusing to rent to a potential tenant because of their source of income, including but not limited to, Section 8 vouchers or other government subsidies.
- Refusing to waive a "no pet" policy for tenants that require a service, assistance or emotional support animal.
- Discriminating at the direction of a seller or landlord or because it is the preference of a seller or landlord.
- Refusing to rent to a renter who is a victim of domestic violence.

YOU HAVE THE RIGHT TO FILE A COMPLAINT

- New York State, Department of State: (518) 474-4429
- New York State, Division of Human Rights: (844) 862-8703

ALBANY OFFICE: One Commerce Plaza, 99 Washington Avenue, P.O. Box 22001, Albany, NY 12201-2001
• Customer Service: (518) 474-4429 • Website: <https://dos.ny.gov> • E-Mail: licensing@dos.ny.gov

REGIONAL OFFICES:
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*This sign must be prominently posted in all real estate broker offices
and at all public open houses.*



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